

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

HOST

Welcome to the People Property Place podcast. Today we are joined by Stuart Mitchell, Managing Director, Group property at the Jockey Club. The Jockey Club is one of the world's most respected sports organizations. Host to some of the UK's most prestigious races, such as the Cheltenham Gold Cup and Epsom Derby. Stuart is responsible for all real estate, investment, asset and development management across the Jockey Club's multi-billion pound portfolio.

00:00:29:10 - 00:00:51:12

HOST

Prior to this, Stuart was director and head of third Party Asset Management at New River REIT, and he started his career at BNP. Yeah, I know what you're thinking. The Jockey Club. That is an odd move. Well, that was that was my first reaction when I heard that Stuart landed that. But there is, method to the move and I'm absolutely delighted that Stuart is, joining us on the podcast today.

00:00:51:12 - 00:00:52:17

HOST

So thank you so much.

00:00:52:20 - 00:00:53:13

GUEST

Thank you for having me.

00:00:53:17 - 00:01:11:02

HOST

Not at all. Well, look, I know you've got plans to build a billion, pound real estate business at the Jockey Club. But before we get into into that, a question that I ask everyone who comes on the podcast is, is ordinarily, how did you get into real estate? But I'm going to ask you, why not go?

00:01:11:04 - 00:01:37:12

GUEST

Well, I had a good crack at golf, as a, as a, as a youngster, and I brought a lot of energy into doing that. But I didn't make it. Had come a time when you realize it's just not happening, despite how many hours you put into it. And practice and determination and, yeah, I think I had a realization that, perhaps you to state was the way for me.

00:01:37:18 - 00:01:39:24

HOST

So it was a back up, back up choice, was it?

00:01:40:05 - 00:01:42:22

GUEST

It's it's what I do the weekends now.

00:01:42:24 - 00:01:46:12

HOST

Take over the weekends, as well as juggling kids and family life.

00:01:46:13 - 00:01:57:18

GUEST

Correct. Yeah, absolutely. You know, I've got three kids and wife, and we're very busy at weekends, and, I don't get as much golf as I might have liked to some of the past.

00:01:57:20 - 00:02:00:24

HOST

So tell me then. You, you grew up in Scotland?

00:02:01:01 - 00:02:29:04

GUEST

Yeah, like I grew up in Scotland and in Aberdeen. One of four children. My father was, a chartered surveyor. Okay. Had a very successful property company. He was a, very, very hardworking, determined, father and really taught myself and my brothers and sister that we know what hard work looks like, and and nothing in life is for free.

00:02:29:04 - 00:02:53:02

GUEST

If you want to get anything in life, you've got to put in the hard yards and the graft. And he he certainly showed that to, myself and my brothers and sister. But, my mother, she was, kind of an expat from, came, grew up in Africa and she came back to Scotland and was, you know, a very outgoing person, very sociable, had lots of friends.

00:02:53:02 - 00:03:10:15

GUEST

Our door was always open to lots of people when we were growing up. And I think the combination of, of my father being in property and my mother being a very sociable person, probably the two qualities lend themselves to pursuing a career in property.

00:03:10:17 - 00:03:23:02

HOST

So you always had that, I guess, exposure or conversation around the dinner table about real estate. When did it dawned on you that that is really what you want to focus on?

00:03:23:04 - 00:04:09:21

GUEST

Well, I, I, I, I struggled at school, as a youngster academically. And my real outlet, was through sport. Something else. So not just golf, but rugby, hockey, cricket, tennis, swimming. Myself and my brothers and sisters, we did quite a few sports to quite a high level. And, I've always believed that sport is a great incubator for anyone getting into property or in business in general, because it teaches you, you know, teamwork teaches you how to be a leader, teaches you, determination to practice hard, how to win, how to deal with defeat, and how to get back up and and start again.

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GUEST

And, I really, thrive through sports, in comparison to academics. When I was a youngster. And, you know, in my teenage years, sadly, you know, mum and dad divorced, and I kind of struggled a bit at school, so I got sent off to to boarding school to have another crack at the width. And, and I did manage to get, get, get some good A-levels to, to to set my, my on my, on my way to university.

00:04:41:21 - 00:05:08:08

GUEST

But, I didn't want to do that. I wasn't ready. And, when I finished school, having made some, some great friends, I took myself off to Africa and I had a gap here in South Africa. And when I came back from South Africa, where I was teaching in a school, but when I was out there, I was practicing golf every day.

00:05:08:10 - 00:05:38:12

GUEST

And, when I got back from Africa, I was quite good at golf. And that's when I did pursue a career in professional golf, aged 19. And my parents, I think, made some great parental decisions to allow me to, to try to get out my system. And I did that for a year. Tried really hard, but sadly didn't make it because probably I should have started ten years earlier.

00:05:38:16 - 00:05:40:05

HOST

Yeah.

00:05:40:07 - 00:06:01:06

GUEST

And that was a bitter pill to swallow. Swallow? Because I really want that. And then one day, my my dad can have sat me down, and, who has always been my, my mentor and the person I go to for for counsel and he said to me, look, you know, I don't see golf going. And I said, yeah, it's good.

00:06:01:06 - 00:06:23:01

GUEST

I'm about to, apply for my PGA. And, and he said, it says here on the form, you, you, you need three GCSEs. And I said, yeah. And I, I've got that dad. And he said, Stuart, if you've got three A-levels, I think, I think you've had your fun now, however, I think we should have a chat about the next stage.

00:06:23:01 - 00:06:43:12

GUEST

And the next stage was, going off to, you know, university to study land management, writing. I did a short kind of four months traveling around Australia before I went, but then I, in 2002, landed an in reading to study management.

00:06:43:14 - 00:06:56:20

HOST

That must have hit quite hard that conversation and the realization or the dawning of the fact that actually, Yeah, your kind of dream to go and be a professional golfer might not materialize.

00:06:56:22 - 00:07:23:24

GUEST

I think when you're young, in your in your teenage years, you need some, some guidance like that. And I probably if my father didn't have that chat to me, I probably would have, would still be bumbling around as a, as a pro golfer somewhere in the world. Not very good and wondering where I went wrong. So I, I'm forever grateful to my parents for stopping me in my tracks and and resetting and setting me up in the right way, which only parents can do.

00:07:24:01 - 00:07:33:11

HOST

So you landed it right, and you did land management, for a few years, and then. And then post that. What job did you get? And and how did that come about? So after.

00:07:33:11 - 00:07:57:08

GUEST

Reading, where, you know, I made many great friends who I still keep in touch with. As you can imagine, they all work in property, and I see many of them regularly. I, I, I remember I got 11 first round interviews and four second round interviews and my elder brother, who also works real estate, I remember him saying to me, look, I just don't understand why you're not getting a job.

00:07:57:10 - 00:08:22:14

GUEST

And, you know, so I done all these interviews on my CV, you know, perfectly acceptable on paper, but, I, you know, rightly or wrongly, I, I, I was wearing the wrong suit, with what I put it down to. I probably was trying to emulate my father of the 1980s. I was wearing this dreadful talk, striped suit to to interviews, which, you know, hindsight is a great thing.

00:08:22:14 - 00:08:40:05

GUEST

And, it, you know, just probably wasn't appropriate. You know, when you go to an interview, certainly back in the 2000, that you should just, you know, be very plain and blue suit, plain tie, plain shirt. And thankfully, my older brother pulled me to one side and said, look, just put on a plain suit. Go to your interview.

00:08:40:05 - 00:08:46:16

GUEST

And my next interview was full of sponsor. And, and I got the job, on the graduate program there.

00:08:46:18 - 00:08:50:04

HOST

And. Whoo hoo hoo! Is that what company? That it's no longer slippers.

00:08:50:07 - 00:09:20:11

GUEST

Got bought by, what is now BMP Yarrabah real estate. So the answer was, I, industrial logistics specialist, but catered for all sectors. So I joined the graduate program there, which was fantastic. I got an opportunity to do valuations. I got an opportunity to lease advisory business rates, did retail agency. And then I finished doing, capital markets, doing retail investment.

00:09:20:13 - 00:09:35:09

GUEST

And it was it was fantastic. Made lots of great friends, learned lots of things. After one year there, we got bought and I kind of finished, my APC and, and I spent five years at, BNP Paribas.

00:09:35:11 - 00:09:36:12

HOST

Doing retail investing.

00:09:36:18 - 00:10:11:22

GUEST

Yeah, I ended up specializing in, in retail investment, which was a great place to learn. And we've had lots of great transactions, both on the sell side on the the buying side, at that time, Indian retail warehousing, and high street and, you know, that that was kind of, what, 2005 to 2010. So, so we had the global financial crisis through that, I remember like it was yesterday, the day when, you know, basically one person from every department at every kind of level was going to be made redundant.

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GUEST

And, I, somehow kept my job as a, in the, investment team. I was no better or any worse than the next person. It was really down to a flip of a coin, and, I kind of pinch myself. I lucky I was to, to keep, keep my job at the time because it was tough for everyone back then.

00:10:34:12 - 00:10:51:11

HOST

It. Are there any parallels to today's market. Because, you know, there's I've seen some challenges and I think, you know, so so I mean, the president said it's the worst quarter in ten years for, for kind of raising fresh capital. It's well-documented, some of the challenges that we're going through as a, as an industry in a sector, and certainly investment volumes are down.

00:10:51:15 - 00:10:55:02

HOST

Are there any parallels that you can see, today to.

00:10:55:04 - 00:11:26:01

GUEST

Yeah, I mean, the definitely on parallels, I remember back then, we were instructed to offload pounds 3 or 400 Barclays banks, because they were just surplus to requirements and not needed. And that was back in 2008, 2000, seven, 2008. And, you know, similar thing is, is happening today with, you know, many retailers offloading stores or going into administration, so yes, there were certain on the retail side, I saw some similarities.

00:11:26:03 - 00:11:35:05

HOST

You moved, off to that, that stint at BNP to, to new River. How did that come about and why did you move and what was the timing of that move?

00:11:35:07 - 00:12:06:10

GUEST

Well, I moved because when I qualified, to my APC, I always wanted to do fund management, best management, and, I didn't get a role doing that within BNP Paribas, even though we had an investment management arm. And I ended up doing the capital markets and, I, I started to get a bit disheartened about, you know, is this what I want to do going on long term, being an investment agent?

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GUEST

You know, I remember that was probably the defining moment was when, I was working on a deal, to buy a particular asset, and, and my boss at the time kind of went off on, on holiday to, and, just as a deal had been agreed and gone into legals and told me to get on and do the purchase reports.

00:12:30:15 - 00:12:53:07

GUEST

And, you know, when he got back, the deal closed and, on the Black Friday. And I remember going to, our sector at the time and saying, you know, that deal's just just closed. Can you get a deal celebration in the in the directors, you know, deal. Celebrating lunch. And it was always a big part of of being in the transactional world.

00:12:53:07 - 00:13:14:23

GUEST

And, especially when you're young, you know, graduate or a young surveyor at the time. And, and she said to me, I'm really sorry to hear that. The the lunch was on Friday and I was like, whoa, okay. And not really the person at the time doesn't know this, but that really upset me. And I just thought, this is not how you behave as a team.

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GUEST

And, I, I don't I just, I took quite personally and, and I actually that that experience has taught me, you know, you shouldn't you know, how you treat people. And I was always brought up to treat others as you would like to be treated. And I vowed to myself on that day to if ever that something similar happened, I would make sure, you know, I share the success with my wider team.

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GUEST

And so that kind of got my head up, above the parapet to start looking at other options. And, if I can reflect on what those options were, it's, it's quite comical looking back because perhaps some of them just were not right for me. I remember I went for a, role with a new start up from a very successful person post the global pandemic, and I thought that was perhaps a bit risky going out with a one man band.

00:14:05:09 - 00:14:39:21

GUEST

I, I went in for an analyst role at a big, Australian bank. And, I got a second round interview, and I remember the chap interviewing me said to me, you know, you we've interviewed 20 people, you've got fantastic, market knowledge, but, you know, it's not the only skills. And I wasn't an analyst. I think there's a chance of er coming from a you know, surveying practice, I went for a role at one of the big pension funds with big hassle pension funds, and I wasn't, I wasn't quite sure if that was for me.

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GUEST

And then in the back of the States is that that's, you know, where we we all used to look for jobs before the days of, of LinkedIn and all the other, other channels. I saw this role with, this company called new River capital, and I had to be a retail asset manager. And I thought, that's exactly what I want to do.

00:15:01:18 - 00:15:12:13

GUEST

I came from a retail background. Capital market experience had agency experience. I context in the market. And, I thought that that is exactly what I want to do.

00:15:12:15 - 00:15:22:24

HOST

And context wise, retail was a darling child at the time, right. There was a lot of money flowing into it. Is that fair or had it kind of been through a bit of a change post? Yes.

00:15:23:01 - 00:15:45:02

GUEST

I think retail was starting to polarize the the the best in class. The destination assets were, were doing well. And unaware of a certain asset, a certain type of property that drew the biggest footfalls and whatnot. But then there was the other side of of retail, where, you know, new River was focused on the food value and convenience side.

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GUEST

And that that was definitely, the side that I believed in. And, that's where you know, one, consumers are spending their, non-discretionary spend. And, that's that was that was definitely the side retail I was wanted to at, at that time.

00:16:01:20 - 00:16:07:24

HOST

And you wanted to get out of the transactional, investment focused role into more of an asset? Yeah. We always planned.

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GUEST

Coming from an agency environment, you can be in control of your own destiny. I think, being an agent, you know, some agents I just phenomenally good, you know, just do deal after deal after deal. I think it's difficult to be an agent when you're young. Because you don't have that kind of little black book of contacts, of knowledge of the market, and, you know, it is difficult.

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GUEST

And actually, looking back, I, I truly believe it's better to be a good bag carrier as a youngster than trying to be the hero doing your own deals because it it takes time to develop a knowledge of your of your sector, of your market, of of of the people. And actually I learn a lot more as an agent, listening and learning to the kind of partners and directors in, in the investment team who knew a lot more than I did,

than trying to do my own deals.

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HOST

Yeah. You joined as an asset manager. Can you just talk to me about your kind of career journey within new River and what you worked on, because you were there for quite a long time?

00:17:14:09 - 00:17:35:13

GUEST

Yes. I was there for 12 years in the end. And, it took a little while just to, to, to get in. I kind of remember sending my CV off, and I didn't hear anything back for, for quite some time. And, I, you know, chased the recruitment agent and, you know, he, you know, couldn't give a defined answer, you know, what was happening.

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GUEST

And I really wanted this role to start. This was absolutely right for me. New River capital, as it was at the time, was a start up, the just, IPO and listed on the, the ehm and, I really wanted the job, so I took a bold decision to phone up the office and lo and behold, who would answer the phone, but, the chief executive, David Lockhart, and I had the most lovely conversation with David, who was the most charming, man you could ever dream of.

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GUEST

And he was so kind and nice to me on the phone and said, look, send your CV and and I'll, I'll have a read and we'll, we'll come back to you. And I remember thinking, right, this is this is my chance. This is this is my moment to to get in. So I didn't just send my CV.

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GUEST

I, I sent a list of all the transactions that I had been involved in, in my career. I sent a list of all my contacts, be it landlords, be agents, be it retailers, be occupiers. I literally put my my heart on a plate and this was me. This is everything. I really wanted it. And, one thing after another.

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GUEST

I was invited in for an interview and, you know, delighted that I got the job. As an asset manager.

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HOST

It's a risky strategy to touch on because I guess in 50% of those cases, yeah. And so in my experience, it kind of brought you back to the through the headhunter or the recruitment. You need to kind of follow the due process. Yeah. But you know, you create your own life.

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GUEST

So, yeah, there's a bit of luck and do.

00:19:12:11 - 00:19:15:04

HOST

It and you position it in the right way. Yeah.

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GUEST

The recruitment agent stood involved in the process all the way to the end. But it got it got my name on

the table.

00:19:21:08 - 00:19:27:17

HOST

So you joined as an asset manager. Can you just talk to me about what you were involved with and some of the projects? And yeah, that kind of evolved.

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GUEST

So when I joined, it was a it was a real big culture change coming from a big, you know, successful corporate like BNP Paribas and, you know, when I remember I joined, there was there's like only six people there. I was looking a seventh person to the door. It was very quiet, you know, if you if you made a phone call.

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GUEST

And I remember thinking, but everyone can hear exactly what I'm saying on the phone. So it was a totally different culture, but it was ultimately a start up. You know, we had just IPO and, just had our first successful capital raise and deployed some, some, of that capital. So I remember when I joined, second step in person person, the door we, we had 70 million and of assets and, and seven assets at the time.

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GUEST

And and we just went on to grow and grow and grow into what turned out to be, you know, a fantastically successful REIT with, you know, in the end, 1.3 billion assets under management, one over 30 shopping centers and, and 36 shopping centers under management, our peak 19 retail parks and over seven pubs. So it was it was an amazing journey over the the 12 years.

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GUEST

I, I was very fortunate to grow through the ranks. I was not only, you know, an asset manager, but I was probably like the, the original tea boy. I was the one that cleared the meeting rooms. I was the one that loaded the dishwasher. I was the one that did the modeling was one that went and did inspections and and did the bag carrying really, in the early days and, you know, that that teaches a lot.

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GUEST

And, I, you know, in those early days, it was all about work hard. We all worked incredibly hard. We were all so determined to make a success of this, and it was such a wonderful experience to be a part of, of new River, to see us grow from a small new company, to be something quite substantial and great and and best in class.

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HOST

How is it funded or financed or, how did you facilitate that growth?

00:21:35:09 - 00:22:09:05

GUEST

Through a series of capital raisers? And, and debt. You ever had a and still has a very successful business model. It was by buying high yielding retail assets. Generally generally anchored by food, food stores to drive footfall, securing, a low cost of debt and the up charge after operational costs was the profit that was redistributed back to our, our shareholders who enjoyed significant growth, in our dividends across over the years.

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GUEST

And it was and continues to be a successful business model.

00:22:12:15 - 00:22:22:06

HOST

You you're kind of your last role with the business for years or so, was head of third party asset management. Can you just talk to me about that role and where that fits into the business as well? Yeah.

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GUEST

Well, you know, we we had this fantastic, platform, you know, where not only did we, you know, we did asset management, we did develop management, project management. We're all used to, you know, doing valuations, business planning, forecasting accounts and finance. So we had this fantastic platform which we were able to leverage. And attract third party investors, to, to new River.

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GUEST

And in 2018, I was, I was rewarded for my kind of eight years up to that date by joining the executive committee. And at that time, I was also asked to, spearhead our new third party asset management business, which ultimately meant that we took on board, other people's assets, shopping centers in the main, owned, but four of them were owned by councils and one by private equity.

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GUEST

And, we basically asset management as an asset managed and developed, manage those, retail assets for them using our platform and our skill set and our knowledge of the market. And it was it was very successful. We grew it from no assets to five assets by the time I left, from zero income to an income, you know, well over 1 million pounds.

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GUEST

And, and it was it was really enjoyable.

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HOST

And that was on a fee basis rather than, a co-invest in a, in a promoting an upside down pure purely.

00:23:51:12 - 00:23:54:22

GUEST

On an asset management. Yeah. And talent management piece.

00:23:54:24 - 00:24:00:24

HOST

So you left the business in April 22nd. Yeah. Right.

00:24:01:01 - 00:24:26:11

GUEST

No, I well, in in Christmas 21. Yeah. You know, post pandemic, I had been through the pandemic like, we had been thinking about, you know what I, what I want to do next, was perhaps starting to to look around and think. Think, you know, where do I fit in, in, in ever going, going, going forwards?

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GUEST

The pandemic, you know, I found, I found a great experience, actually, I think a lot of people, you know, stressed and worried, and found it quite daunting, at new River, we rallied round together on during the

pandemic. And it was a great feeling of camaraderie and teamwork. And I thrived and really enjoyed actually trying to save business, save the people, make it all work overall, locked at home during the pandemic.

00:24:54:01 - 00:25:11:16

GUEST

But of course, the pandemic gave us a lot of time to think about what we want to do going forward. And, and we know where we fit in. And, I, I use the pandemic actually to do a, an online MBA because we're all set at home with all the spare time. Yeah.

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HOST

I was gonna ask you about that.

00:25:12:13 - 00:25:32:04

GUEST

Yeah. So that that was a really great thing. I'm really glad I did that. And, you know, just gave me some insight. I'm a great believer. You always continue to learn. You can never stop learning. I like learning from other people that I know how to, you know, be successful. And, And that was a great thing to do.

00:25:32:04 - 00:25:32:21

GUEST

I'm really glad I did.

00:25:32:21 - 00:25:36:07

HOST

It wasn't really focused. It was just a what a broader and.

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GUEST

Broad minded MBA, which, you know, took like three months to do. But it was a it was a great experience and I highly recommend it to anyone. But come Christmas 21, in the space of months, kind of three big things happened in my life. I had my my third child. My wife and I had had our third child, Iona.

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GUEST

I turned 40, which always seems like a a milestone and for, for most of us. And, I lost my mother, on space of one month and, I was, I was perhaps a bit of a mummy's boy, so I took it quite hard. And, you know, after Christmas, you know, after some conversations with, with Mister New River about, you know, the direction of travel, both my wife and I both quit our jobs, and we, went traveling for you.

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HOST

So what? What was your wife doing?

00:26:36:09 - 00:26:51:24

GUEST

My wife, was a chartered surveyor as well, as service 11, chartered surveyors or people that work on property in my family. And so my wife has chartered where my brother's wife is across the, my father in law's across the is, you know, we all work in property.

00:26:52:01 - 00:26:56:19

HOST

I've met your sister. She was a she was at new River. I know she's not a chartered surveyors.

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GUEST

And property sisters, works in new River, and she works in real estate, so it's. Yeah, it's in the family.

00:27:01:11 - 00:27:04:02

HOST

And your brother? Your older brother as well. Who I've met.

00:27:04:07 - 00:27:29:10

GUEST

Yeah. Three of my brothers. Yeah, three. All working real estate. Yeah. So, So. Yeah. Listen, I both, quit our jobs, in, January 22nd, and, we went traveling for a year with our three kids. We have picked off, five continents, 12 countries, some them 9000 miles. Think we did in the end.

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GUEST

Well, 29 flights. Very, not very good for my ESG credentials. I promised myself to to plant 100 trees, offset those, and offset my my my, my, cut my carbon footprint. But, no, we had a most glorious time. Just as a family, just being together. It's a chance to to to reset and and rebalance and just spend some quality time together as a family.

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GUEST

And, it was easily the best year of my life.

00:28:02:07 - 00:28:19:15

HOST

I guess, you know, building or being part of the build of new River, you know, sounds, it sounds like when you get involved with a project, you sort absolutely everything into it and it's almost all consuming. It sounds like it's so well needed that break just to, as you said, reset. Spend some time with your kids because like what, seven.

00:28:19:17 - 00:28:20:17

GUEST

One five and.

00:28:20:17 - 00:28:21:15

HOST

815.

00:28:21:15 - 00:28:47:05

GUEST

And now, you know, I had so much fun at the river. It is full of many very bright, capable people. David and Alan, that set up the business, you know, our will forever be, great mentors to me. You know, David, certainly no longer with us, but Alan, was a great mentor to me, and I was always very grateful for all the opportunity he gave me.

00:28:47:07 - 00:29:09:03

GUEST

I was a great mentor to me, you know, taught me everything I know. But there's lots of other great people there. Very bright people, you know, every corner of the business. So, you know, the team. I was always incredibly impressed how smart they were and how bright they were. But, you know, the asset management team, the development management team, they are all very, very capable people.

00:29:09:03 - 00:29:34:15

GUEST

People like, you know, Emma McKenzie and, people like, you know, Edith on there. Actually, the chief operations officer, the finance guys that, you know, it was a great place to be. And I really enjoyed it. But, you know, after 12 years, it was time to do something new. And, I think it's really important when you're taking a career move to really think about it and really not rush into it.

00:29:34:15 - 00:29:50:14

GUEST

And I got, I got, you know, had various conversations with other people that I could have jumped into another job quite quickly, but I didn't want that. I wanted the time with my family. I wanted the time to travel. And I wanted to really think about my next move.

00:29:50:16 - 00:30:10:13

HOST

I was going to ask you, how daunting was it to kind of leave a business of 12 years? You know, big to take kids out of nursing school or whatever it might be, go traveling. Kind of coming back and reflecting on what your career looked like and where your boundaries were and what you wanted to achieve for the kind of the second part of, of your career.

00:30:10:13 - 00:30:31:19

GUEST

How did you I think I think when you get to 40 and if you if you're fortunate to have I've got a wonderful wife and three children that, you know, they are the most important thing to me. I think when you're a youngster starting out in a career, it's it's kind of career, career, career. But when you get older, it's it's career and family and I think it's really important.

00:30:31:21 - 00:30:57:12

GUEST

And, I wanted to do something for my family as much as me. And, I think you need the breathing space to to really step back and think about what's right for you. And, I'm glad. I'm glad I did. And throughout the course of the year. Well, once we weren't traveling, I would come back to London and I come up to London for coffees and lunches and, you know, keep my fruits in.

00:30:57:12 - 00:31:18:22

GUEST

And and that was a very good thing to do. And, you know, I, you know, I could have ended up working for a, another business similar to new River, or another fund or another investment manager. But I'm really glad I took the time to do this, just to stop and think about it. Whether I was going to do something for myself or work for another company.

00:31:18:24 - 00:31:29:05

GUEST

You know, lots of ideas were going through my mind. And then in the kind of summer of, of late summer of 22, I got approached by the Jockey Club.

00:31:29:07 - 00:31:40:05

HOST

So who are the Jockey Club? I know I did a little bit of an intro at the top of this, but, I'd certainly naively never heard of them before. And and I'm sure some people listening to this hadn't heard of them before. So can you just give me a bit?

00:31:40:06 - 00:32:12:09

GUEST

Absolutely. It's. The Jockey Club are the largest, racehorse owner in the UK. So we have 15 racecourses. We have 5000 acres of land on the 15 racecourses, plus another 4500 acres of land at Newmarket, which

is the kind of global headquarters of, of racing. I, like you, hadn't heard of the Jockey Club from a real estate point of view and indeed when when I got the call from the headhunter, I kind of, jokingly said, thanks very much.

00:32:12:09 - 00:32:29:10

GUEST

But, you know, you should really have a chat to my, my wife, she's she's a land agent, and she, you know, was very, ad hoc, equestrian focused as a, as a, as a youngster. You know, the head honcho said, no, we're looking for someone like you with your skill set, and that kind of pricked my ears up.

00:32:29:10 - 00:32:58:01

GUEST

And to listen more and, then having met the team, Nevin and the wider team on, on the, on the next Coe, I realized that this was a serious company with some amazing people on, on the board from a variety of different backgrounds and skill set and diversity. And I was really intrigued. And, you know, one interview after another, I got the role.

00:32:58:03 - 00:33:06:19

HOST

It's the the core business is obviously horse racing. Can you just expand on, you know, the role and what you've kind of been brought in to do? Okay.

00:33:06:19 - 00:33:33:18

GUEST

So yeah, the business, you know, over 50% of our revenue comes from racing. 25% of our revenue comes from media, and the final 25% comes from a mixture of, what we call conferencing events, partnerships and gambling and, real estate is actually a very small part of, of our revenue. So last year, our revenue was 236 million.

00:33:33:20 - 00:34:00:13

GUEST

Real estate made up 1.4% of that two, three, six. So it's like 3.175 million. We have a, an EBITDA before prize money of just over 50 million and after prize money of 20.4 million. So there's a lot of movers, in terms of our revenue and lots of different pieces that focus into but real estate, it's actually in terms of income is a small part of of our revenue.

00:34:00:15 - 00:34:40:11

GUEST

But we do have a huge real estate portfolio. We have a huge built environment in terms of our grandstands, our parade rings, our stables, our conference and events facilities. And, you know, that's the opportunity. And that's I was is explained to me that the business wanted to take an on a new direction of travel, a new strategy to, use our assets, which, you know, we owned 15 racecourses, 13 of the 15 we own freehold, to our long leasehold and this is our our biggest asset and our opportunity to to add value to the business.

00:34:40:11 - 00:35:23:21

GUEST

And, you know, my, my role at the Jockey Club, people can dress it up, to be as complicated as they want, but it's, it's really simple. It's to drive income for real estate, be it, capital receipts or long term sustainable rental income. And, the way we're we're going to do that is by taking our built environment on real estate and developing out complementary uses that will sit nicely alongside our racecourses to complement them, to, to provide facilities, that complement the racecourses, to provide communities in a racecourses, you know, always in great locations.

00:35:23:21 - 00:35:58:12

GUEST

They're always beautiful. They're always, in the main, very close to great infrastructure, great, transport infrastructure. So they lend themselves to be perfect. Locations to create communities. So the obvious thing would be residential, but, you know, hotels, BTR, senior living, all sorts of health and wellbeing, uses lend themselves to be at racecourses. And indeed, we already held many health and wellbeing and sports facilities at racecourses.

00:35:58:14 - 00:36:03:21

GUEST

Ironically, we have six golf courses within the Jockey Club, only for.

00:36:03:21 - 00:36:04:21

HOST

A it's really why is it.

00:36:04:23 - 00:36:27:04

GUEST

Yeah, that's why I took the job. Yeah. Only four of them are operational. But you know, we have we have six golf courses. We have in Sandown, we've got a ski slope, we've got go karts, we've got, you know, driving ranges, we've got football pitches, cricket pitches, rugby pitches, you know, so, so racecourses do lend themselves pretty well to, to the sports arena, not just racing.

00:36:27:05 - 00:36:43:13

HOST

And I guess that's the big factor that drew you to the opportunity right. Is the, the the broader interest in sport that we touched on I guess there's there's being a combined property piece in the skill set that you have with the interest in sport and broadly, even if you're not a that's absolute racing. You know, I just.

00:36:43:15 - 00:37:28:01

GUEST

I'm a, I'm a failed golfer, sitting here and but I love real estate and I think, most people that work at the Jockey Club and indeed in racing love sport. And for me to have the opportunity to, to work in sport, but also to work in real estate is a it's a phenomenal opportunity. And, you know, we want to grow the business, create, an investment platform that we can create, rental income stream so we can reinvest that income stream, whether it's rent or capped receipts back into our built environment to make our racecourses fantastic, to make them awesome, to make them places that people want to come to in

00:37:28:01 - 00:37:53:03

GUEST

the future to to satisfy the consumer and start tomorrow. And, you know, we know that the, the Jockey Club and our built environment has a big CapEx requirement. So how is that going to be funded? And, we believe, you know, one of the ways we can fund that, not the only way, but one of the ways to fund the CapEx requirement for our built environment is, is through our existing real estate.

00:37:53:05 - 00:38:08:23

HOST

And so is that where you kind of maybe look at disposing of non-core assets or looking at maybe repositioning or repurposing rebranding existing units? You know, yeah. Expanding on it that way or.

00:38:09:00 - 00:38:39:10

GUEST

You know, we're looking to develop out, some of our non-core real estate. So we have lots of real estate assets around racecourses that people probably wouldn't know that we own. So looking to build up, build those out, or sell them off or to a joint venture. So obvious things like BTR, Senior living, we're in a hotel portfolio and create an income stream, whether it's through capital receipts or rental income to reinvest

back into the Jockey Club.

00:38:39:12 - 00:38:54:08

HOST

So obviously, real estate is a small portion of the, of the income of the Jockey Club right now. And I'm sure it's looking at ways to kind of maximize income from its other existing activities. But why? Why specifically within real estate and why now?

00:38:54:10 - 00:39:24:12

GUEST

Well, the the Jockey Club has its own headwinds, in racing. So, you know, there are certainly three big reasons that we want to create new income streams into racing and they are one to drive prize money. So in the UK, we really want to drive prize money to retain the best horses in the UK. So it's well-documented that many of the world's best horses are born and bred in the UK.

00:39:24:12 - 00:39:45:16

GUEST

But what happens is they end up going racing across the globe because flat racing is a global business. So we have a real, urgency to drive our prize money. And if you drive prize money, you get the best horses, you get the best owners, trainers, jockeys and coupled onto that is the media and the gambling and everything that is associated with that.

00:39:45:18 - 00:40:08:02

GUEST

So there's a real drive to drive prize money. And second to that is to invest in our built environment, to make our racecourses amazing, to make them modern and relevant and fantastic for the future. And to do that, that's through developing out other use classes that can sit alongside our racecourses.

00:40:08:04 - 00:40:22:02

HOST

The portfolio is vast, but, you know, so many different use classes and subsection subsectors and niches within it. How and where do we even start to try and reconcile this project? Because it's not like it's just one side.

00:40:22:05 - 00:40:42:23

GUEST

It's a great question. And, you know, having coming from a you know, a kind of investment and asset management background, I've really had to take quite a strategic approach to my new role, and it's been really tempting to jump in and just get on with that project or get on with that project. But I've, I've had to be quite disciplined.

00:40:43:00 - 00:41:02:09

GUEST

Look at the whole portfolio with the team. You know, it's not just me, you know, the whole of the executive committee who come from a variety of great backgrounds, all all inputting into what we're doing going forward. I see one of the things that really drew me to the Jockey Club was this the quality of of the team.

00:41:02:11 - 00:41:26:08

GUEST

And in that, you know, we're we're headed up by Nevin, who came from Centrica. But we got, you know, people we've just taken on, a lady from Facebook to, to, to, to spearhead our, our digital business. We've got, you know, people from M&S, we've got, we've got someone from Disney, we've got people who have got phenomenal racing backgrounds.

00:41:26:10 - 00:41:57:04

GUEST

And we have a real strong, team sheet to, to help drive this business forward. And I think, we it's exciting for what's, what's ahead of us. But we have to be strategic. We have to just take our time. So what we're doing this year is formulating the real estate strategy. That is, I've been around every single race course, which is quite a miles on my car.

00:41:57:06 - 00:41:58:07

GUEST

00:41:58:09 - 00:42:02:01

HOST

Few trees in the cockpit together with those. Yeah.

00:42:02:01 - 00:42:22:09

GUEST

Yeah, yeah, exactly. Of of, you know, I've done kind of 12,000 miles in the first six months, and you set a tolerance. But I've been around all the race courses. What the boundaries been through all the buildings, met the teams, been around meeting all the councils, getting a feel for what? What what we own and what what we could do in the future.

00:42:22:11 - 00:42:44:04

GUEST

We've been master planning every race course, so looking at what could we do to to bring in some new, new real estate through development, but also to enhance our existing built environment? How can we really improve, our existing infrastructure to make it, you know, fantastic and relevant for racing of tomorrow? We've been doing a planning piece.

00:42:44:04 - 00:43:10:21

GUEST

We've been out speaking to JV partners, investors, potential occupiers of all different sorts of sectors. And it's about pulling all this information together and coming up with a strategy for each asset on a case by case basis because, they are so different. There are, you know, we've got racecourses from as north as Carlisle all the way down to Exeter in the south.

00:43:10:23 - 00:43:27:17

GUEST

We've got three racecourses in London, so they all lend themselves to different use classes. And we're going to harness all information. We've, we've gathered and then next year start to be laser focused and look to bring forward some of these projects.

00:43:27:19 - 00:43:40:08

HOST

Well it's yeah, massive, massive job. And I guess a job that you've got to look at it through the lenses of what, ten, 15, 20 years or how do you what is the time frames and, and what is the lens for.

00:43:40:10 - 00:44:07:15

GUEST

The time frames will all be dependent on the success. So development planning, I think the opportunity is through development and the time frame will be based on what's deliverable through planning. So the majority of all of our courses are in green belt. But the, the obvious place to, to focus our attention is on the PDL, the previous developed land, and what we can do to enhance that.

00:44:07:15 - 00:44:38:19

GUEST



And and build out, developments that complement our, our racing infrastructure. But, it will take time and, you know, I'm making no promises that things are just going to pop up next year because they won't, it all requires, you know, identifying opportunities. It requires, securing joint venture partnerships or agreement for leases, securing planning consents and all that takes time.

00:44:38:21 - 00:44:49:12

GUEST

And, so, you know, I don't think we'll start to see things pop out of the ground for, you know, at least a year or two, with a, with a good wind.

00:44:49:14 - 00:44:55:12

HOST

You mentioned, I think, 2.5% of the revenue of the Jockey Club is driven directly from from real estate.

00:44:55:12 - 00:44:57:04

GUEST

1.4%, 1.4%.

00:44:57:06 - 00:45:03:14

HOST

How? Once you've done all of this, how much of that know revenue or income do you reckon it will it goes.

00:45:03:18 - 00:45:09:21

GUEST

Golden question. I think my with my, chief executive that was listening, you probably want me to say, you know.

00:45:10:00 - 00:45:12:11

HOST

50%.

00:45:12:13 - 00:45:40:13

GUEST

You know, growing up into the tens, 20s, 30 millions. But the reality is, the opportunity is huge. So we're we're currently in terms of pure real estate income, it's 3.175. I see no reason why that can't be 1020 million in the next ten years. Once these developments start to come forward. But in the short term, we also have short term opportunities to to monetize our existing portfolio through our car parks, through the existing the excess land that we own.

00:45:40:15 - 00:46:03:12

GUEST

And, you know, even in the last nine months, we've been able to implement some new strategies to monetize our car parks, to bring in some commercialization. We're about to go live on an open storage portfolio on surplus land that, you know, it's not going to affect the racing operations and know that will create, new income streams. Whilst we're working on the on the bigger picture.

00:46:03:14 - 00:46:12:23

HOST

What skills would you say are transferable from your kind of retail days to this heavily operationally intensive, diverse portfolio that you're playing with now?

00:46:13:00 - 00:46:38:07

GUEST

That's a great question. I think, you know, retail is all about, consumer behavior. You know, in order to, to

drive value from, from retail and leisure, it's about driving footfall, driving dwell time and driving back and spend and if in retail leisure it's the, it's the retailers or making money then the the property companies will be making money.

00:46:38:07 - 00:47:01:08

GUEST

Therefore the investors will be making money. And you know, I'm a great believer in the the circle of stakeholders. They're all linked and in in racing it's no different. We're we're a consumer product. We're a sports business. So we are trying to attract people to come racing, to come to our venues. So it's about driving footfall. It's about driving, dwell time.

00:47:01:08 - 00:47:29:11

GUEST

It's about driving consumer spend. So the similarities are very similar. The product is just different. I used to work in shopping centers. Now I work in racecourses. They are real estate assets. People come come to our racecourses first and foremost to come racing. But why can't they come for something else? And they already do. We already have a very successful conferencing and events business, where we make a substantial income of that every year.

00:47:29:13 - 00:47:54:16

GUEST

But why can people not come to our racecourses to do other things, to know, to stay in hotels, to to live, to work, to do other leisure pursuits. And, you know, that's what we're looking at doing. So the the similarities are very similar. I think, you know, retail has gone through a, a an enormous amount of change over the last 100 years.

00:47:54:18 - 00:48:24:19

GUEST

You know, back in the 1920s, you know, the UK was, was it's all about the high street retail. And then the 40s came the advent of the supermarket, and then the 60s came the advent of the shopping center. And then the 80s came the advent of retail warehousing, and then the early 2000s came. The advent of online retail and online retail grew from 2001, from plus 6% to pre-pandemic to 19.6%.

00:48:24:21 - 00:48:48:13

GUEST

And of course, during the pandemic, retail shut up into that kind of high, you know, 30s, 40s and 50s. But post-pandemic has come come down and stabilize in the kind of mid 20s. And what that's saying is, you know, even if retail online spend gets up to kind of 34%, it's still 70, 60, 70% of of retail spend is still going to be in physical built retail.

00:48:48:15 - 00:49:22:06

GUEST

And it's exactly the same in racing. You know, you you, you come racing, you come to see the sport, you come to see the spectacle, you come to socialize with your family and friends. It's very difficult to do that at home. And, again, for that reason, I think there's some great similarities that, you know, our job is to enhance and improve, our product to, to attract new audiences and retain existing audiences, which is something that, you know, we've been doing in retail leisure for many years.

00:49:22:08 - 00:49:42:10

HOST

Where does data fit into your decision making? Because it's not all got failed, or that in fact, I get nowadays real estate investment development, asset management, you know, you're running off a lot. Yeah, loads of different scenarios. And you're, you're pulling lots of different data into to kind of give yourself the best, best shot. Where does that fit in and how well.

00:49:42:12 - 00:50:18:00

GUEST

And you ever we were very data driven and I'm certainly taking those learnings into the Jockey Club. We just completed a data set. Through a research house where we've analyzed our catchments, we've analyzed, our demographics, looking at the supply and demand, looking at the use classes that are appropriate and, and really using that data to support our thinking, our gut feeling, and not only within that, but as a business, we have a huge amount of data on our customers.

00:50:18:02 - 00:50:25:24

GUEST

And, it's really important to, to use that to your advantage to make some sound decisions going forward.

00:50:26:01 - 00:50:34:21

HOST

ESG is obviously a password that's being bandied around and gets bandied around an awful, awful lot, but I'm sure that's at the heart of what you're trying to do.

00:50:34:23 - 00:51:06:19

GUEST

At the Jockey Club. Like any business today, ESG is enormously important to us. I am hugely impressed about the the amount of work that happens already. On on all sides of ESG. I mean, we have similar projects, EV projects, but we do a huge amount of the s of ESG, the Jockey Club in our existing communities that we, we, operate in, we do a huge amount of, of working with local schools and communities.

00:51:06:21 - 00:51:18:20

GUEST

You know, our race courses are often seen as community assets. So, yeah, I like I would like to think that we're a big contributor to that, to ESG, particularly that the, the s of ESG, today.

00:51:18:22 - 00:51:33:16

HOST

Talk to me about your plans for the team. Because, you know, you've probably struggled to find hours in the day because you've got such a big job, but there is plan to grow the business and grow the team and the property team. What what kind of people are you going to be looking to to join the business?

00:51:33:16 - 00:51:33:22

HOST

And.

00:51:34:02 - 00:51:57:18

GUEST

Well, I'm very fortunate. I've got some phenomenal people in the team already that, have a far better knowledge of the Jockey Club than I do. So I lean on them quite a lot because their knowledge is fantastic. Not just in the pub scene, but in the whole lot of business, the knowledge and all the racecourses many people have worked there for many years is phenomenal, and you can only learn from these people.

00:51:57:20 - 00:52:19:01

GUEST

And, they've been very generous with their time to, to educate me. But also on the real estate side, we're going to grow the property team where we're starting with growing. On the development side. And we will, will look to build out the development team, within the business as we as we look to grow the business.

00:52:19:03 - 00:52:24:24

GUEST

And it will be baby steps as the opportunities come forward and we'll look to grow the team, appropriately.

00:52:25:01 - 00:52:38:13

HOST

And I guess in line with using balance sheet capital to reinvest. But as you touched on for the maybe third party capital as well, to, to maybe fund projects or take risks that you will the business is not comfortable doing in its entirety.

00:52:38:13 - 00:53:19:05

GUEST

That's at risk is a really important word for for any business and ours as well. Anything we do, we want to make sure that our existing core business is de-risked from any and in development that we might go off and do. So. It's really important that we separate, that risk on, on the real estate side from our existing core racing business and it's highly likely that we will set up new entities and potentially a new property company to sit at arm's length from, from our core business to, to for, for the exact reason to de-risk it and protect our core business, which at the end of the day, we're a sports business for

00:53:19:05 - 00:53:30:12

GUEST

a racing business. And that's where we we, we make the majority of our income. So it's important to protect that. And we've got we've got some, thoughts and, and, and and motion to do that.

00:53:30:12 - 00:53:38:04

HOST

I'm sure you do. And as well as operating it as well and separate opcoes or is that a, that's, kind of an idea for further down the line?

00:53:38:05 - 00:54:03:22

GUEST

Well, we really are not to, you know, the Jockey Club is an operational business. We we have a huge hospitality, side to us already. We have a coming events side to us. We're very comfortable being, a knockout already, as well as a prop co. And, you know, lots of the, the youth classes that we'll be looking to invest into, you know, will be opcoes.

00:54:03:24 - 00:54:20:21

GUEST

We wouldn't necessarily want to run them, but they'll be opcoes. So, as I say, we're in the Eagles on a hotel portfolio on a on a hotel management agreement. We will be looking at BTL, we'll be looking at senior living. You know, these will be, you know, opcoes potentially that we will or will not be a part of.

00:54:21:02 - 00:54:34:03

HOST

Amazing. Well, look, a question that I ask everyone that that comes to the podcast is if if you're given 500 million pounds of equity, who are the people? What property, in which place would you look to to deploy that that capital?

00:54:34:05 - 00:55:08:01

GUEST

Well, I had a little think about this question and, I'll probably look to fit into two buckets, two funds. So I would probably look to put 250 million into the the obvious meds, beds and sheds, where, you know, there is real growth in the market. You know, the an aging population with over 70s, due to rise by 25% by 2030, with a growing population, with rising interest rates and inflation making it difficult for people to buy properties.

00:55:08:01 - 00:55:31:13

GUEST

So I do think BTR and Senior Living will be a will be a growth sector in the coming years. But the other 22 million, I would have to be true to my, to my past in retail and leisure. I'm a great believer in retail leisure, particularly post, pandemic. I think we all crave experience experiences.

00:55:31:15 - 00:56:03:13

GUEST

So I do think, the best in class retail and leisure, whether it's at the convenience side on the food value, convenience side or at the other end, whether it's city centers or I'm a big fan of designer outlets and and obviously, you know, big destination retail, leisure offers where perhaps with hotels where people can have a longer experience because I, you know, I, I strongly believe that every part of the population creates experiences, whether it's a struggling family or an affluent family.

00:56:03:13 - 00:56:18:02

GUEST

We all crave to spend time with our families and friends. And, I think experience, experience, experience, look, locations will be important. And, I think we could include racecourses, in that in the future as well.

00:56:18:02 - 00:56:20:09

HOST

No money allocated to golf courses?

00:56:20:11 - 00:56:20:23

GUEST

No.

00:56:20:23 - 00:56:21:13

HOST

Not yet.

00:56:21:15 - 00:56:23:10

GUEST

Fully focused on racing.

00:56:23:12 - 00:56:28:17

HOST

And who are the people? And in terms of kind of locations, where would you look at deploying that locations?

00:56:28:17 - 00:56:53:01

GUEST

UK I think it's a safe haven for investors. It's it's what I know. And I would feel uncomfortable investing it outside the UK. And the people, I would look at people that have, guided me through my career, people that I trust, have been loyal to me. And I can think of many people across the last 20 years that have guided me so they would probably be right.

00:56:53:01 - 00:57:18:09

GUEST

They are my non-executive committee. Yeah. People like people like my father, people like my wife, people like, Ireland and David Lockhart, who have been phenomenally kind to me over the years and guided me. But also on the, the day to day, side. I'm a great believer in, in your existing team. I've got a strong team at the Jockey Club, with a fantastic skill set.

00:57:18:13 - 00:57:33:19

GUEST

And, when it comes to team, I truly believe it's all about hard work, graft and positivity and energy. And what you don't know if you put in the the energy and the time you can learn what you don't know.

00:57:33:21 - 00:57:54:02

HOST

Well, Stuart, it's been a fascinating conversation. And, it makes complete sense why you landed at the Jockey Club. And I'm really excited to see from afar what you and the team go on to build. And, like I said, I'm not a big horse racing myself, but maybe I should carve some time out and, go and see the gold couple.

00:57:54:08 - 00:57:58:11

GUEST

Well, thank you very much for having me. And we'll we'll have to get you racing to see what it's all about.

00:57:58:14 - 00:58:01:24

HOST

Well, thank you. And, Yeah. Excited to see what you do.

00:58:02:01 - 00:58:02:13

GUEST

Thank you. Matt.