

00:00:01:06 - 00:00:32:05

HOST

Welcome to the People Property Place podcast. Today we're joined by an absolute giant of the real estate industry. Names generally don't get much bigger than this. And egos on the flip side are much smaller than our next guest, the absolute legend that is Ian Marcus OBE, Rogue One, sponsor of the Cambridge University Land Society, which is how I got to know Ian over the last couple of years, as he is the immediate past president.

00:00:32:07 - 00:01:03:04

HOST

He sits currently on a number of boards. 12, I'm told, in one guise or another. And that's everyone from East ill secured, Elysian residence, town center, securities, work life, sugar, self storage, along with a number of others outside the real estate world. And as a graduate of the University of Cambridge, having studied land economy, he's held roles at Bank of America, DBS, NatWest, Deutscher and Credit Suisse.

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HOST

And the other day I heard Ian, affectionately named as Three Stripes because he's got a line through his diary at breakfast, lunch and dinner every single day of the week, meeting someone across the space. Today is actually the first time I've met Ian. Not in black tie or, or wearing a suit. Didn't think he thought this podcast was on video, but I'm genuine.

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HOST

Lee really humbled that Ian is on the podcast, and I'm really excited to get stuck into hearing a little bit more about his views, opinions, career, journey, and, perspective on the market. So Ian, welcome to the podcast.

00:01:41:16 - 00:01:43:11

GUEST

Thank you very much. Great pleasure to be here.

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HOST

Not at all. Well, look, a place that I always like to start these conversations is, is asking your guest how they got in to real estate. So if you're able to cast your your mind back a couple of years and it's more than.

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GUEST

A couple, I'm afraid it's a long, long time. And it's a it's a well-trodden story now, but it's it's it emphasizes that I'm a great believer in fate and things happen for all sorts of reasons. As you mentioned, I was a Cambridge land economist, which, I jokingly say meant I spent more time on the rugby pitch than in the library, but, enjoyed the course with some of the greats of our industry.

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GUEST

Now, the likes of Michael Brotman, former chairman of CBRE, Robin Butler, the CEO of Urban and Civic. No man's the founder of Europe. But we were all classmates back in late 70s, early 80s. And as each of them headed to the world of real estate or as we then knew it, property, before we were too Americanized, I had a different path.

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GUEST

I'd spent all three summers when I was at university coaching sport in America. The camps and a lot of

the kids go to loved it. Fell in love with the country, fell in love with the people, everything about it, and wanted to go and live there. My brother persuaded me to at least finish my degree. Probably the best advice he's ever given me.

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GUEST

But when it came to that point when we were applying for the jobs, unlike my peers who went to Jones, Lang, Wharton and Helium Baker and Richard Ellis as they were then, I applied to ten US banks. And you have to remember, put it in context. This is 1881. So before investment banks as we currently know them, existed.

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GUEST

But there were big money center banks in America. Some names still survive, like Bank of America and Citibank. Others have been long since, amalgamated, merged, submerged like chemical Bank, Chase Manhattan, continental Illinois and many others. So I applied to ten banks. And the fortunate part was those banks only went to Oxford and Cambridge, rightly or wrongly, at that time.

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GUEST

And I was lucky enough to be offered, a handful of roles. And the first was a call from Bank of America, then the biggest bank in the world, then headquartered in San Francisco. And the call went something like, we'd like to offer you a job. Would you only work in London? I went, no, no, no, I'm from the provinces.

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GUEST

I was born and brought up in Bournemouth and I said, I'll go anywhere in the world for a global organization. They said, I'm thinking California, this is it. Great. There's a good we'd like to go and work in Birmingham. Which wasn't how I anticipated my career would, sort of move forward. It was great for my rugby career.

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GUEST

I was able to play, rugby at a very high level in the Midlands, and it was great in terms of the exposure it gave me, because one day I was dealing with Midlands metal bashers, and the other day, I'd be dealing with bang and all of a sudden or Avon Cosmetics and this is 80, 81 when recession was very bad, particularly in the Midlands, but when anything that was property related came up, they'd go, well, you did land the economy, you know all about this.

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GUEST

And I'd phone Robin. Michael, no, go explain this to me. Rents and yields, you know, how does that work? And they were very generous with their time. And then after two years, I had the opportunity to move to London, and they sent me to the property lending team. And that was when I really began to both recognize and begin to foster relationships.

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GUEST

That's when I first met companies, some of which still exist, like Hammerson and Heron and others which have long been subsumed as well, like Mepc, London Merchant Securities and others. And I was part of the team, the very junior member of the team that funded the first phase of Broadgate, etc.. And so I enjoyed that, developing as a property lender for five years.

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GUEST

And then Big Bang came along when we created these financial supermarkets through the deregulation of the market. And my boss was poached by UBS that had then bought a stockbroker called Phillips and Drew and said, come with me. And I went and had the honor of sitting next to, you know, over your career, you have some mentors and some guiding lights.

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GUEST

A wonderful man called James Hislop, who was one of the senior directors. Phillips and Drew and I rode on James's coattails for four years when we floated, a number the trade, the developers of the 80s that most of which went bust in the 90s. But great experience again. So I was learning capital markets, corporate finance, how the public equity markets really functioned.

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GUEST

One of the gentlemen, I worked with then was a young surveyor we'd taken from a firm called Edmunds because we thought we were all going to securitize real estate, and we hired a guy called Mark Gilbert, who you may or may not know of, the founder of Moorfield now. And Mark came over as an equity analyst and we worked together for a while, and he left a few years later to go to NatWest and called me up very quickly and said, you've got to come here.

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GUEST

You know, we've got the number one equity research team, which he was leading the most innovative, creative, structured finance team, led by people like Richard Morley, who's now the chairman of, Great Portland, and a bunch of others doing some really interesting things. And the backdrop was, of course, that, NatWest themselves were the biggest lender on commercial real estate in the UK because of the relationships they had with the likes of British Land and, Slough Estates and many of the other big companies at the time.

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GUEST

So I joined NatWest and I had a sort of co-ordinating role of pulling some of that stuff together and again sat in the corporate finance department. And then, you know, I sat in that seat effectively for seven years. But then NatWest sold its investment bank to Bankers Trust. And my old colleague Richard Mulley had gone there and he said, come on, join us.

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GUEST

You know, you can run investment banking. I'm doing the principal investment. And it was an interesting lesson. And Richard and I talk about it quite often, that I went on his, you know, recommendation, encouragement. A month later, he left to go and run Bright Clover Real Estate business. So do you attach your career to a person or an individual?

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GUEST

Or a firm is quite interesting, but it was great. Again, great learning curve. Bankers Trust, contrary to popular belief, you know, when one thinks of principal investment by banks, you think of my all at Goldman's and Mercer, Morgan Stanley Bankers Trust were actually the first US bank to do that in Europe. And Richard was the, the sort of founding father of that.

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GUEST

And within six weeks of us, coming together, we wrote a check for \$100 million to put into a, a firm that was sort of up and coming, but no one really understood what they did could reach us. Oh, yeah. And I

went on the board, for Mark Dixon's company for several years till eventually IPO.

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GUEST

So at each stage I've sort of been involved in some really interesting things. At BBVA. It was the first phase of Broadgate, at UBS, it was IPO ING, and working with these trader developers their names, which would mean nothing to your audience but real movers and shakers at the time, like Mount Lee. Then you go to NatWest and you start doing these innovative, transactions, and then Bankers Trust took it on to a new level and gave me exposure to principle.

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GUEST

But two years later, in the world of mergers and acquisitions was happening. Bankers trust itself was bought by Deutsche Bank, a very strange period because they were trying to amalgamate five companies. This is 98, 99 now. And yeah, really fascinating. But the politics got in the way of a lot of things. And it came very frustrating.

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GUEST

So the three of us left, Deutsche Bank or when once the deal had been done and we were asked to go and establish a real estate function, Credit Suisse and of course, Credit Suisse today, there's there's lots we could talk about the story of what's happened and why it happened. And I have my own views. But I was privileged to run the real estate businesses for 13 years and coordinating across the firm.

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GUEST

And again, we did some phenomenally innovative things, such as, the advised on the sale of 25% interest in Regent Street to Norge, which was their first ever real estate investment fast forward, I then got invited through a process to become a Crown Estate commissioner. Yep. We also financed what people remember post the millennium as the dome, which became the O2 arena.

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GUEST

Yeah, now the most successful music venue in the world. And we, we financed that and refinanced it twice fast forward 20 years. I'm a senior advisor to Phil and Shoots and AEG. So again, it all gets back to relationships. Great time at Credit Suisse. You know had its ups and downs as as most of the investment banks did.

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GUEST

But we did a lot of good and innovative things. And 2012 I decided I'm not going around the block again. I unfortunately it wasn't a specific to to Credit Suisse. I found myself spending more time doing compliance H.R. Than than doing deals and meeting people.

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HOST

Perks of being good at the day job.

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GUEST

Yeah. I mean, and and look, it's an investment banking trait. You promote people up who are great at doing deals and generating fees, and you turn them into managers. Yeah. And there aren't many deal doers, our good managers. I mean, I hope my team at the time and we all do keep in contact and they're spread around the globe now doing different things would say, you know, we did things in our own way in a very special way.

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GUEST

But I just found it very frustrating. And, so I decided, hang up your boots. And I didn't really know what I was going to do. I had the privilege then of, being on a Crown Estate commissioner. I'd also begun what became a 14 year career, chairing one of and now king, the then prince of Wales.

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GUEST

His charities called the Prince's Regeneration Trust, which was a totally different world, which we can come back to if you'd like. And more by luck than judgment found myself in this plural existence to today use, as you say, in various guises, having 12 different roles. And, as I always say, genuinely tongue in cheek, my wife doesn't want me home and my golf isn't good enough, so I might as well do something I enjoy.

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HOST

So. So in terms of the career in that, you know, an amazing way to kind of summarize it very briefly, because that was our concern at the top of this of might say, have we got four hours to get through this? Yeah. Have you always wanted to be, on the kind of the debt, the debt side, rather than necessarily the equity investment piece?

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GUEST

I'd the conscious I don't I would look at it more as I've always been more comfortable as an advisor than a principal. And I think one of the and I've done principal investing, as I said, at Bankers Trust, and there are a number of others we can come to, but I am remarkably risk averse. Yeah. Any money I've got, I give it to someone else to manage or my children spend it.

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GUEST

So that's fine, because if I started doing something myself, I'd be looking at screens every day and worrying about it. So I've always felt comfortable fulfilling that role as an advisor. And even today, you know, when you're sitting on a board, essentially the only thing you're not there to do is run the company. You're a, you're a, a conduit for information.

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GUEST

You're a fiduciary. You are there to help with blue sky debate, but you have to recognize whether you're a senior advisor, a non-executive, whatever you want to call the role consultant, you're not there to run the business. And that's where a number of people who move into this sort of non-executive type role fall foul. So, my, my rugby analogy to you would be it's much better.

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GUEST

I'm much more comfortable standing on the touchline shouting and screaming at the players. And if someone said, put on the boots and show me how it's done, I'd probably run a mile. So it's just always been, yeah, I've had offers to be running rates, I've had offers to go and raise a fund. And I think one of the strengths of anyone, unless you are overtly self-confident, is know what your strengths are, but more importantly, know what your weaknesses are amazing.

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HOST

So a lot of a lot of advisors get frustrated that they don't have any control and actually want to pursue the principal. Yeah.

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GUEST

And look, I, I just had lunch today with Mark Mogul of Pine Bridge, who was an investment banker. Richard Mulley was an investment banker. Keith Bridge, patron, was an investment banker. Yeah. Most of the guys that are Mark Gilbert, Moorfield, we talked about. Yeah, most of the guys who set up their own, private equity firms, even though they now may be part of something bigger, often started on the advisory side.

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GUEST

And maybe it's a frustration. Maybe it's a sense of I could do that. Maybe it's a case of, you know, that ability not always turns out how you want the ability to make, you know, considerable capital. Yeah. But, as I say, I've, I do have regrets, you know, should I have turned left here rather than.

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GUEST

Right? No, you can't. And, the only thing that when you're an advisor and it doesn't matter whether you're a banker, a lawyer, an accountant, surveyor, whatever, the only thing you have to be entirely conscious of all the time is the only thing you have to trade is your name and reputation, personally and corporately. I haven't got a balance sheet, you know, I haven't got, any assets.

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GUEST

So all I really have to offer, God help them, is all is what's between my ears and the relationships and experiences you gain over the time. And I will do anything and everything and encourage all those people that work with me, to put that top of that list whenever they're doing. And there's always a temptation, particularly in the markets or as volatile today is get the deal done or find a way to earn the fee or whatever.

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GUEST

And that that old adage of you may lose the battle, but you'll win. The war particularly holds true at times like this.

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HOST

So you touched on the fact you've got you went from one role to 12 roles. Can you just talk me through your 12 different roles? And then how the hell do you fit 12 different roles? Well, you.

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GUEST

Mentioned the.

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HOST

Seven days of the week.

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GUEST

Mentioned them, many of them up front. So I have two listed companies. I'm now chairman of Europe's largest self storage business called Shergold. And maybe just stop there for a second. When I was at, Credit Suisse, we made an investment in the former Shergold. And I won't bore you with all the corporate history. And then the parent was taken over by the the giant in America called Public Storage.

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GUEST

And I met the then CFO who became chief exec, who became chairman of public storage and still is. And for many years we had a very good relationship. Whenever he came to Europe to look after this pimple on their backside, relatively speaking, you know, public storage today is a \$60 billion. Well, and when I retired from Credit Suisse, as I say, in 2012, he called me not sorry, I apologize.

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GUEST

I called him and said, I'm stepping back. And I remember the conversation. Remind him of it every time I say. And he said, well, I don't care. Oh well that's nice. After all these years of both friendship and working together, I said, why? He said, because one day I'm going to IPO this business and I know where you live.

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GUEST

And I'm going, yeah, yeah, yeah. Five years later, virtually to the day, this gentleman, Ron Hafner, calls me and goes, remember what I said? I said, where I going? The business. I'm going to be chairman. You're going to be the said.

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HOST

Wow.

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GUEST

And we IPO in 2017. It's now the largest to say in Europe with give or take 270 stores in seven countries. And last year, Ron Ron wanted to step back and asked me if I'd step up to be chair. And, I was smart enough, I think, to say, you're not going anywhere. You know? You want me to do the role, fine.

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GUEST

But you've forgotten more about this industry than the whole board knows. So we made Ron chairman emeritus. I don't feel everyone knows that you feel threatened by having him. That not at all. He makes me better at doing my job. So a relationship began 20 odd years ago. Today continues on. I started as a banker and investor in it.

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GUEST

Now I chair the business, so that's great. The, the other listed companies you mentioned is Townsend Securities, which is a regional REIT. Really with assets principally in, in Leeds and Manchester. And I've known the Ziff family for 30 odd years. I was their advisor, the son of the founder, Edward, is chairman and chief executive is a very close personal friend.

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GUEST

So it's probably an inappropriate thing to say. But I see myself more as a conciliatory to him in the family because it's a family controlled REIT. So slightly different issues than, than some of the bigger, more liquid stocks. So, spend a lot of time with them and thinking about they're now fourth generation as a family.

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GUEST

And that creates interesting issues. I've got two big private companies. One is AEG, as I mentioned, the owners of the O2 and many hundreds of arenas they own and manage around the globe. I'm on the

advisory board of Re Devco, which is the brannick my family again, seventh generation. And we sit there, there's a group of us in a more strategic role.

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GUEST

It's not the governance of a board. It's it is an advisory council sort of thing. So two large quoted, two large private, two startups that were startups five years ago. One, as you mentioned, work Life, which is a central London focused, serviced office type business, which obviously is very much back in vogue today. Two young guys who I knew personally through family and they just said, can you help?

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GUEST

Why not? And the Lycian, which again is a is is run by a very dynamic, very passionate, guy called Gavin Stein, which focuses on senior living. And it's the sort of 4 to 5 star build for sale type product, which, you know, that's jokingly said about myself and the two other, senior executives sort of act as a sort of coterie of advice that actually the only reason we've done it is that we're looking for a put the directors in in not too long, the way.

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HOST

You're shrewd enough to write that into your.

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GUEST

Head. I wish I was that smart. So those are the six sort of day jobs that sort of take a lot of time. But then I've got four that I'll describe is educational. Cambridge University. You've mentioned I'm still heavily involved because although succeeded by Dan Nicholson, of Great Portland, I promised Dan I would be there to help him.

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GUEST

He's got a proper day job, so continue to be active. I was the, chair of, Wharton's European advisory board. Didn't think I could do Cambridge and Wharton, so I stood down. But I'm still on the board there and do a lot. I'm going off to give a guest lecturer at, at Wharton, next month, for example, Aberdeen University, which may seem a strange one for someone, a true Southerner, but one of my lecturers from Cambridge 40 odd years ago is now the vice chancellor.

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GUEST

Aberdeen. He's just about to retire. And he said, would I be interested in becoming a visiting professor? So I go there twice a year and lecture and spend a lot of time with the students mentoring, telling them the sort of stories that we're talking about today. And then last but not least, on the educational side, getting back to my real passion of rugby, I was fortunate enough to play for Saracens.

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GUEST

Many, many years ago, long before the days of professionalism. The owners of Saracens are great friends. They have funded a new high school in, probably one of the most deprived areas of north London, in Colindale, and I'm now a trustee of that multi-academy trust. And when you see kids who, you know, come most of them from single parent families, emigres from Ukraine, Somalia, etc., and you see the life they're leading and the achievements they've been able to, to do, that's really fulfilling.

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GUEST

So I very much enjoy that. So that takes me to ten. There are the two others. One is a local authority,

regeneration body, which surprise, surprise is Bournemouth, where I was born and brought up. So you can classify it as the giving back. And then last but definitely not least, is east and east. So, a unique family.

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GUEST

It's only it's less than 500 people worldwide. I was approached by the late founder ten years ago. 12 years ago, and talked about his aspirations to bring the business to Europe. Would I be interested in helping? And there's lots of stories around how that happened. And so I joined when there were about ten people in Europe. And now we have give or take 150 across six offices in Europe.

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GUEST

And, I don't measure the success of distillers as one could or should by revenues, profits, mandates. I measure it by the fact that he still, I believe, now have become part of the fabric of the real estate community. It was a name which ten years ago, most people have said, who are they? And in their own way, in a very niche way, have established a role and methodologies, methodologies of doing business that many have now followed.

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GUEST

So very proud and from a selfish perspective, it gives me somewhere to go in the morning and I'm sitting amongst some of the brightest people in the industry doing some of the most innovative deals, particularly at this time. And therefore, when I turn up to the other 11 jobs, I sound as if I know what I'm talking about.

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GUEST

That's all thanks to those guys at eastern. So how do you juggle 12 or ups? Balls or spin 12 plates? I can tell you, quite frankly, it's a lot easier than you think when you haven't got to manage people. And I don't manage anyone. And I had give or take 120 people at Credit Suisse. You know, with all the conversations about reviews and budgets and all that.

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GUEST

So your time is spent very, in a very worthwhile manner. It's sitting is where I talking with old friends, talking about the industry, doing deals, attending board meetings. So the time is full, but much better utilization of that time. And yeah, you get clashes. My principles are very simple, as guided to me by someone much wiser than myself.

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GUEST

He said, first come, first serve. If there's a clash, you always give priority to those that pay you. And of the 12 jobs, without it turning into a rather grubby conversation, six pay me in six. Don't. And that's fine. That's my choice. And I did say to him, I remember I said, that's all great. Understand that?

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GUEST

But what if it's the Prince of Wales? He said, slight different change of views and rules then. So this is. Yeah you do you do get a little bit of, you know, you I've got the board meetings for most of my companies in the diary through 24, and I'm into 25 already.

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HOST

I'm sure you do. How how do you go about, selecting which boards or which companies to be associated with because, to sit on the board of 12, you know, you must be getting 12 approaches every single month

for people, who want to be associated. You do you.

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GUEST

You are, I'm very fortunate. Yeah. You do get a number of approaches. It took me 40 years to work this out. And I wish I'd thought about this a lot earlier, but if you look at every one of those roles and they're very different in scale, complexity, needs, requirements, obligations, but all 12 of those I can genuinely say have of three things in common.

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GUEST

They're all intellectually challenging and stimulating. So I'm learning every day. That's important. I'm not just going to go somewhere where I'm rubber stamping or just going through the motions, so you hope you're adding value, and similarly you're you're feeding off of that. The second thing is, and I've hinted at some of the reasons a lot of them are people I've known and liked for many, many years.

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GUEST

It's a lot easier making a decision if you've known someone for 20 years. It's sort of like the difference between going for an interview somewhere for an hour and everyone puts on a mask or interning for six months. You know, you get a far better understanding of each other. And I've known, you know, I knew the people at the crowns.

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GUEST

I'd work with them. I knew the people at AEG because I worked with them. I was on Leslie's board, Secure Income REIT before we sold that business. I'd known Nick for 25 years. I've known Edward for 30 years. So. And if you get those two things intellectually challenging, stimulating, and people, you know, like and trust, it should equal fun.

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GUEST

Most of the time. And if it's not fun, why am I bothering the exception to the rule? And I broke my own rule. Was he still, in a sense, because when Ben Lambert, the late founder, first approached me, I knew of them, but I didn't really know the people. But I took a year to get to know them before fully engaging, and they always said very kindly to me, are you took a risk on us?

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GUEST

And I say, well, yeah. And you took a risk on me in a sense. So it's and it's worked out certainly from my perspective. Absolutely fabulously. But if you get those three things, yeah. Ordered, then. Yeah, it'd be lovely to be asked to be chairman of ABC plc. But you know why? You know, it's got to have some.

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GUEST

There's going to be some resonance there. You could say the local authority role was. Yeah, local authority and fun don't seem to gel very well. But I did feel, you know, having spent my first 12 years in Bournemouth, it would be nice to go back and do things and try and help. Now we've had two hiccups along the way in the, chairman was, Lord Bob Kerslake, who sadly passed away very suddenly.

00:28:00:12 - 00:28:24:18

GUEST

And then, there was a local authority elections and the, the ruling party changed. So one of the things you have to be very conscious of whenever you take on any of these roles, which are termed non-executive, they're non-executive till they're not. And that's normally an event. And it may be more challenging, but it

may be good news, it may be you're going to IPO the business, you're going to sell the business, you're going to, you know, do something positive.

00:28:24:20 - 00:28:35:16

GUEST

But sometimes it's an event which affects you. And then you realize that that monthly or quarterly board meeting turns into something a lot more frequent. And that's when you have to earn your corn.

00:28:35:18 - 00:28:39:09

HOST

Or gives you a slot to to open up and have capacity to do something else.

00:28:39:09 - 00:29:04:08

GUEST

Yeah. I mean, I mean, as I say, I mean, I've yeah. Secure income rate. The Crown Estate, the Prince's Regeneration Trust, the IPF I've done, the BPF, I've done you do these things and there is a sort of resonance, you know, these things do come off after time and then you get to a certain stage in your life when you go, do I replenish or do I just sort of enjoy a bit more free time?

00:29:04:08 - 00:29:21:07

GUEST

And, don't get me on the subject, but of course, my pride and joy and my four grandchildren, who my wife always encourages me to spend a lot more time with them because although they'll always love me when they're probably ten, 11, 12, they probably won't want to spend time with me. So I'm trying to make more use of that.

00:29:21:07 - 00:29:36:09

GUEST

You know, from the rather what may seem mundane things of picking them up from school or going to sports games with them, or taking them to the movies and engaging with them. And when I've had enough of them, of course, and they get a bit feisty, I just give them back to their parents.

00:29:36:11 - 00:29:45:07

HOST

Tell me, as you reflect on your career, some of the favorite deals that you've been involved with because, you must have an amazing deal.

00:29:45:09 - 00:30:01:09

GUEST

Yeah. Look, it's it's often those that get away that you are more concerned about. I was talking to someone the other day, and I was trying to estimate, but I think that all the IPOs I've looked at, I would say maybe at best 1 in 4 got to the finish line. So there's always a lot of frustration.

00:30:01:11 - 00:30:28:04

GUEST

But I do look back. I mean, I talked about Regent Street. I've talked about the O2. There are other landmark deals I'm very proud of, I suppose one which sort of we're going full circle is coming back to roost. I spent two years of my life at NatWest acting for the Ministry of Defense, on the sale of what was known as the Married Quarters Estate, 46,000 properties that was bought by Nomura for 1.67 billion, then the largest ever deal in in the UK.

00:30:28:04 - 00:30:50:04

GUEST

And this, of course, is what many of your listeners will know as an Indian homes and guy hands Tara Firm is the controlling shareholder that's there. Yeah. And, you know, here we are, 25, 26 years on in the first

rent reviews and, and, there's a little bit of kerfuffle between the government and, and terrafirma on enfranchisement, etc..

00:30:50:06 - 00:31:10:17

GUEST

But that was a landmark deal because of its scale. It was the first really structured sale and leaseback, which doesn't seem so innovative and creative now, but at the time was very special and lots of, excuse the pun, war stories about that deal that went on for for two years of, you know, trying to understand what the government really wanted, what the Ministry of Defense wanted.

00:31:10:19 - 00:31:36:11

GUEST

And I'd say in my entire career, the scariest thing I've ever had to do. And I've met some fairly feisty individuals over the my career, as you can imagine. And I've been in rooms where furniture has flown, and it wasn't levitation sort of thing. I had to stand up in front of the Servicemen's Wives Association of trying to explain why were a savior selling the homes from under them, and then, particularly when it was selling them to the Japanese.

00:31:36:11 - 00:31:59:24

GUEST

You know, it's so yeah, that that was, quite momentous. And, and I do look around and I have a terrible habit of, driving around and saying to my wife, oh, you see that building? I've financed that one. Well, we sold that one. She has no interest whatsoever. But for those of your listeners that live in north London, there's a story which always comes back to haunt me, which is literally.

00:31:59:24 - 00:32:10:20

GUEST

I'd been a banker for three years, and I was doing a financing of a residential scheme in north London, directly opposite the mosque, by Regent's Park, to sell the tolerance cricket ground.

00:32:10:20 - 00:32:11:16

HOST

Yeah.

00:32:11:18 - 00:32:33:03

GUEST

And there is a building there which was a middle eastern developer that in my banking days we were going to finance and in those days it was 20 million pounds, which was real money sort of thing. And I remember going to a dinner and I was the junior of junior bank carriers amongst the team, and they, said the only thing we haven't done is name the building.

00:32:33:03 - 00:32:52:23

GUEST

And they had a list of names. Now, this year I'm going to celebrate my 40th wedding anniversary. So it tells you when it was, I said, oh, Beverly House, that's my fiancée's name. And I said, okay, we'll call it that. And that was great. And then three weeks later they phoned up and said, I'm terribly sorry, we've had better turns from Lloyds Bank.

00:32:52:23 - 00:33:03:03

GUEST

They're going to finance it. And it just happens to be on my route home from the West End. So every time we drive past, my wife will say, oh, that's the building that's named after me that you didn't finance.

00:33:03:07 - 00:33:04:06

HOST

Or didn't buy for me.

00:33:04:10 - 00:33:33:06

GUEST

Or didn't buy behind me. So, you know, you get their memories like that. But unfortunately, there's also the bit which is there are a number of buildings I finance which have now been knocked down. I mean, many of the early phases of Broadgate have been replaced. I was heavily involved in the sale of the NatWest tower, as we would know, or tower 42, heavily involved with Canary Wharf in its various guises through when it was first finance to then the IPO, etc..

00:33:33:08 - 00:33:48:01

GUEST

And things like that. So there's, there's lots of tales along the way. And as I say, as long as you've tried to do what's best by your client, that's all you can really achieve. And, only time will dictate whether that's the case or not.

00:33:48:03 - 00:33:52:11

HOST

Well, I grew up in marriage quarters or married quarters because my father was a helicopter pilot.

00:33:52:11 - 00:33:54:23

GUEST

Really? Which estate?

00:33:55:00 - 00:34:06:06

HOST

The main one over in Ipswich. Washington. Washington state. Washington something. Yeah, I think Washington and then, Salisbury more latterly. Yeah. And.

00:34:06:06 - 00:34:27:17

GUEST

It's difficult to explain. These aren't barracks, these, these are homes, some of which are behind the wire, some of which aren't correct. And we were we were able to strike a deal with, the government, which was a guaranteed release of a certain number of properties each year and a guaranteed minimum they'd occupy and pay rent on the challenge for the the buyer was they didn't know which those would be.

00:34:27:17 - 00:34:49:09

GUEST

And it could be deepest, darkest East Anglia. It could be Chelsea Barracks or whatever it might be. Something equivalent. Yeah. So yeah, a real landmark deal. And it would be interesting to see how the next, year evolves in terms of what government wants, what, guidance will be able to achieve for him and his other investors as well?

00:34:49:11 - 00:35:07:19

HOST

I know you do. You mentioned you do a lot of talks, universities and certainly the kind of the cohorts that come in through tourism and the other businesses, as you look at the market right now. What advice would you give to someone coming in or starting their career?

00:35:07:21 - 00:35:34:13

GUEST

Listen, everyone has to make their own decisions. I've. I've enjoyed a fantastically, varied, and inspiring, opportunity to be involved in a sector which, to be fair, you know, 40 years ago, I said there was no master plan, that this is what I would do. We we at least still alongside our friends at Tristan and, Goldman Sachs and others have joined.

00:35:34:15 - 00:36:02:22

GUEST

I've been working with an organization called CEO, which is an inspiring US organization, which is about bringing youngsters, particularly from deprived and minority backgrounds, into our industry. And we have a whole separate podcast about Dei and what that means and what we're trying to do, to which the answer is still not enough, to be fair and, you know, I had to speak to, the opening lecture, each year, for some reason, I'm asked to give.

00:36:02:22 - 00:36:23:15

GUEST

So you've got 400 students online and some of them are just graduated from high school, some are at Universal, etc. to begin to explain to them what our industry does and the contribution it makes. And it was fascinating to me. So I spoke for about 40 minutes, all with pictures, and then I did about half an hour of questions.

00:36:23:17 - 00:36:58:07

GUEST

All the questions from that group were about sustainability and climate change, except for some, which were about cryptocurrency, which I did, like any politician, just sort of ignored it. So it shows that that next generation of thinking in a different way. But what I'd say is one of my big messages there was that the intuitive understanding of the real estate industry is, I'm going to work on a building site, or I'm going to be an estate agent, and you and I are two testimonies to the fact that there are many different roles servicing that industry and roles within it.

00:36:58:09 - 00:37:25:01

GUEST

So a lot of the talk is this is the passage that a piece of real estate goes through. These are the various roles people can fulfill. This is the contribution we as an industry can make to the built environment, to leveling up, to, placemaking, to savings, etc. trying to give them that broad perspective. So yeah, I think that, I'd say a number of things to people that are just coming in or I've been in the industry for a few years.

00:37:25:01 - 00:37:48:21

GUEST

Firstly, in today's market, don't be too concerned. This is not the GFC, this is the normal cyclical t that I've seen now 4 or 5 times. There are some structural changes of course. Go alongside that, that since my day, I suppose three things have really changed. One is the definition of real estate, which we used to call property, but let's call it real estate.

00:37:48:21 - 00:38:13:14

GUEST

Now, when I start, it was really offices, shops and industrial. And now look at some things I'm doing. I look at how the definition has changed from self-storage and senior living to leisure to data centers and cell towers and student accommodation. So the definition has changed. So that's interesting for them. And some are much more about social impact that they can make as well as just economic returns.

00:38:13:16 - 00:38:36:00

GUEST

The second thing is it's now a global industry through the real estate is is local. You can't pick up this building and take it somewhere else. So we're working in a global environment and global capital will arbitrage where those opportunities are. And that's that's interesting and fascinating. You know, half the the real estate in the City of London is yeah owned internationally.

00:38:36:00 - 00:38:56:00

GUEST

But it's difficult to describe what that is. If you look at someone like British Land or Land Securities, half of their shareholders are non-British. So the lines have become very blurred. And it's, it's, it's a it's a global environment. We operate in. And the third is obviously the impact of technology, how that's changing what we do and how we deliver it.

00:38:56:02 - 00:39:21:02

GUEST

And let's please not get into a debate about AI, but obviously it will it will seriously impact on, how our industry evolves. But it's that ability to obtain and analyze data, recognizing that the days of landlord and tenant have gone. We are a service provider of space, and we have customers, and we have to teach the next generation those skills.

00:39:21:04 - 00:39:43:11

GUEST

So in times like this, it's quite interesting. Of course, we have to look at the financial capital and what we do with how we do it. We also have to look at our human capital and actually look at any business. The bulk of the people in those businesses today have never seen a rising interest rate environment. So this is a change in there.

00:39:43:11 - 00:40:02:18

GUEST

So what do we do? And you try and give them peace of mind that you need to adapt. You need to think, you need to be more strategic. But actually the fundamentals of there'll always be a real estate market, who owns it, how it's financed, what we do with it will change. But unless we're moving to an entirely virtual world, God help us then.

00:40:02:20 - 00:40:28:07

GUEST

Yeah. It's a fascinating business to be in, but the one point I'd make is go back to that basic premise of it all starts with the people. They'll talk about location, location, location, and timing. But if you've got the right relationships with the right people, you know, whether that's a joint venture partner, a service provider, an investor, a lender, whatever it might be, you won't necessarily avoid the cyclical of the industry.

00:40:28:09 - 00:40:52:09

GUEST

But you've got a better chance of seeing your way through it in a in a considered fashion and living to fight another day. So I can't emphasize the importance of those relationships. And as you heard right at the beginning, they started for me, you know, turning up to lectures now and then building. And those people I mentioned are still good friends, you know, and and that holds you in great stead as you go through your career.

00:40:52:11 - 00:41:02:14

HOST

As you look across the real estate industry, we kind of touched on a few subsectors there. Where do you see the opportunities and what what type of sectors and what kind of plays?

00:41:02:16 - 00:41:20:06

GUEST

Well, it's difficult to answer because I think it depends on a number of things. One, it depends on your appetite for risk. Secondly, it depends on the time frame you're operating in. If you're saying what can make me money the next three years, this is what could be a generational investment that changes. And it depends on the geography as well.

00:41:20:06 - 00:41:47:18

GUEST

So devote to generalize. But if you think closer to home for us, we can learn still a lot of lessons from the US where they've experienced the emergence of new asset classes over many years. And then we've sort of dragged those over to Europe and amended them as appropriate. So you see the emergence of multifamily of life sciences, of logistics, etc. those were markets that we understood ten and 20 years ago in the state.

00:41:47:18 - 00:42:15:04

GUEST

So there was a time when that was going to come here, just as in the financing market, we had rates and securitization and, CME's were eventually going to come to Europe in some shape or form. So it really does depend. But you, if things are, can work within a politically unregulated environment, and you look at supply demand and you look at demography effects that does point you towards and more by than judgment.

00:42:15:04 - 00:42:37:21

GUEST

I found myself in some areas like self storage and senior living and student accommodation and hospitality, leisure in the broader sense, as we change what we do and how we spend our what live, play, within our lifespan. So those are the sectors I like. And I've been fortunate and say there was no master plan to find myself involved in a number of those businesses.

00:42:37:23 - 00:42:47:01

HOST

And so in terms of particular individuals or kind of heroes or titans of, of the industry, who who would you kind of defer to or look to a.

00:42:47:01 - 00:43:11:04

GUEST

Many, I mean, and as I said, I was brought up in a different era where, greats of the industry such as Sir John Ritblat and Elliot Bernard and Gerald Ronson and others have given me a lot of time and the they, they were very engaging, but, you know, they were very much, rulers of that, their worlds they operate in.

00:43:11:04 - 00:43:32:21

GUEST

And I don't know whether they, they would either enjoy or relish will be able to prosper in the same way in today's environment. You look at more modern day characters and a lot of the private equity players have become good friends. But I look at people, yeah, they're great characters in their own way. Like, Keith Presley, patron.

00:43:32:23 - 00:43:54:24

GUEST

And, Jim Garman at Goldman Sachs and, Richard Croft in his own, a very, challenging, amusing, very amusing way. Just brilliant visionaries. And and you've come across other people like Mike Slade, one of the great characters of our industry. And, he hasn't been well. So I wish him, I wish him all the best.

00:43:55:01 - 00:44:07:05

GUEST

So you come across those, Sam Zell in America, unfortunately passed away recently. Gave me a lot of time and and a great visionary in his own, in his own way. Not called the grave dancer for nothing sort of thing.

00:44:07:07 - 00:44:09:15

HOST

Well, he was, when everyone's looking. Right, go left.

00:44:09:16 - 00:44:36:14

GUEST

Correct? Yeah. It's a skate to where the puck's going to be rather than where it is, would be the analogy. And I've got to say, Ben Lambert, the founder of Eastville, because he treated me with such grace, and such dignity, and is really was the founder of our industry. You know, here's a man that in 1967 said there are two separate worlds of real estate and capital markets, and they don't talk to each other.

00:44:36:16 - 00:45:02:05

GUEST

I'm going to bring them together and create a real estate investment bank, the term I've used my entire career. And here's the man who invented it. So you you're very fortunate to meet people like that. So phenomenal, experience. And, you know, I try and, ensure that the old adage is true, be nice to people on the way up, because you never know when you're going to bump into them on the way down.

00:45:02:07 - 00:45:22:12

HOST

Outside of the the day to day in the boards. Do you still have time for, golf and rugby and, yeah, the bits that you enjoy. And do you reflect on? Yeah. Learnings I needed, like dwelling on things in the past, but do you reflect and have any learnings on maybe what you could have done differently or should have done differently, or prioritize along the way?

00:45:22:18 - 00:45:43:10

GUEST

You can you can always bemoan the fact, you know, and I won't mention which firms job office I'd had I turned down you go. Was that smart or not? Smart and opportunities you can only deal with what's in front of you, so I try. I love the stories of the past, as I've shown over the last few minutes, but you want to look to the future and what that means?

00:45:43:12 - 00:46:10:20

GUEST

Yeah. Sport has always been very important to me as a player. And now more suspect data. And I think there are lots of analogies and some will go, well, that's typical sort of, boyish commentary, but it's true. I was lucky enough. I was a rugby player, cricketer and a footballer. And I was I wasn't necessarily by any means the best player on the team, but it seemed somehow ended up captaining most of the teams I played in.

00:46:10:22 - 00:46:32:11

GUEST

And I do believe you can transfer a lot of those skills from the changing room to the office. Maybe not the language, or maybe not the smells, but the art of good captaincy is how to get the best out of your team. And we all know, that there are some players that need an arm around them, metaphorically speaking, cajoling, encouraging.

00:46:32:13 - 00:46:49:18

GUEST

There others who need a kick up the backside to be told to get on with it. And every team has a maverick and they can win. You the game or lose the the game and the skill there is to give them enough room to do what they do best and not constrain them, but make sure they don't blow up the team, the firm.

00:46:49:20 - 00:47:07:23

GUEST

And I think, as I say, a lot of those skills are readily transferable. And it's interesting. The, the, the, the guy who runs is still in Europe. Jim McCaffrey. Mack used to play for the Boston Celtics. And, you know, a lot

of what we talk about is always a sporting analogy in some shape or form.

00:47:08:02 - 00:47:32:02

GUEST

So I still love my sport. This past weekend was particularly challenging because I was home alone and had to decide between the football, the golf and the rugby. And, I managed to get all three in, which was great. So I'm still an avid, Saracens fan, as well as being involved in the club, as I said, through the high school, a marriage to encourage my two grandsons, even though they're only four, they love it.

00:47:32:04 - 00:47:52:05

GUEST

They come, they watch, and it's five minutes from home. So it makes life easy. And their attention span at that age and knowledge is just remarkable. And on November the 4th, they don't even know this yet. They're going to be the mascots at the Saracens Leicester Tigers game, which is really great. And yeah, we we are split family.

00:47:52:05 - 00:47:56:11

GUEST

Half the family are rabid Chelsea season ticket holders and half Spurs.

00:47:56:11 - 00:47:57:03

HOST

Oh, wow.

00:47:57:03 - 00:48:31:13

GUEST

So the only thing we all agree on is, dislike for Arsenal. Yeah. And, so sport still features very heavily golf. Yeah. I'm a rugby player that plays golf so I can hit the ball a long way, but, rarely in the right direction. And the reason, as you've commented up front, this is the first time you haven't seen me in a, either a dinner suit or a lounge suit is, I had major shoulder surgery six months ago, and I still have to have physio once a week, intensively, and it'll probably be another six months rehab, so that's very frustrating.

00:48:31:15 - 00:48:47:14

GUEST

But as my wife said, you had the 25 years of fun. Now comes the pain. So sort of goes with the territory rather. But, yeah, I think, there's a lot of crossover between, what you do as a business and what can happen in a positive way on the sports field.

00:48:47:16 - 00:49:09:03

HOST

Well, Ian, you've had a phenomenal career. So many learnings, that you've shared today that that I'll take away and, learn and, and and look to and I know that the listeners certainly will as well. A question that I ask everyone who comes on the podcast is if, I gave you 500 million pounds worth of equity, who are the people?

00:49:09:03 - 00:49:16:06

HOST

What property and which place would you look to deploy that capital?

00:49:16:08 - 00:49:37:17

GUEST

If my wife and children and grandchildren haven't spent it and I've still got some left to deploy. I mean, it's very interesting the way you phrased that question. No, it's deliberate. You start with who are the people? And as I said earlier, that's where you start. I wouldn't necessarily I'd have a view, but would I be a great stock picture to go and buy that office building or that industrial estate or that shopping center?

00:49:37:22 - 00:49:57:06

GUEST

Probably not. So what I'd probably do is identify the best of class in those sectors, which I think do have real upside, mentioned them earlier, things like senior living and self storage and 1 or 2 others. Find the best of breed and back them. It doesn't matter to me whether it's public or private. It's all about getting the people decision right.

00:49:57:08 - 00:50:01:18

HOST

Let's get the people decision right and then that'll flow through to the property and then the place.

00:50:01:24 - 00:50:03:07

GUEST

Fingers crossed.

00:50:03:09 - 00:50:14:16

HOST

And the cynic in you, if you were to lend the money, how would you kind of approach that task if you had 500 million pounds worth of debt to lend, what would you be looking at lending that again? Well, I'm.

00:50:14:16 - 00:50:33:17

GUEST

Trying as best as I can. One of my hobby horses at the moment is to stop using words like equity and debt. It's just capital. It's on a continuum. You have to analyze where you think you want to be on the risk reward spectrum. And as I said earlier, the time frame you operate in. So I wouldn't label it.

00:50:33:17 - 00:50:53:03

GUEST

I mean, funnily enough, you speak to people today and sometimes the return you can get on what people classified as debt is better than return. You can get on equity, and you might find that some really interesting places on the capital stack to make things work. That, as I say, can offer you a really interesting return, but you're not at the high risk end of that spectrum.

00:50:53:03 - 00:51:00:12

GUEST

So yeah, stop using words like debt and equity and think about the capital and the return you want from it.

00:51:00:14 - 00:51:07:24

HOST

Amazing. Well, look, Ian, thank you so much for joining me. I've really appreciated this conversation. And I hope next time you're that you'll dress up for me.

00:51:08:01 - 00:51:10:08

GUEST

I'll white tie and tails.

00:51:10:12 - 00:51:18:12

HOST

That's done well. And all the best. Think the shoulder gets better, and you get out on the golf course and find time for the 12 jobs that you've managed day to day.

00:51:18:16 - 00:51:19:23

GUEST

And for the grandchildren.

00:51:20:00 - 00:51:20:11

HOST

And for the.

00:51:20:11 - 00:51:22:13

GUEST

Grandchildren. Thank you for your time. Appreciate it.