

00;00;00;28 - 00;00;37;21

HOST

Welcome to the People Property Place podcast. I'm absolutely delighted to say that we are joined by Catherine Webster, CEO of Thriving Investments, formerly known as capital. Thriving investments is a leading fund manager with a social conscience. The business already manages three living strategies totaling 700 million, and so far it has acquired and delivered 3500 private rented sector and for sale homes, and has six regeneration projects underway as it targets 20,000 homes over the next decade.

00;00;37;23 - 00;01;07;20

HOST

Prior to joining Thrive Investments, Catherine was an Executive Director, Strategy Investment at Aquitaine and has previously held roles at Hudson Advisors and Lehman Brothers, among others. She has an MBA from Insead and is a graduate of the University of Reading. And it gives me great pleasure to welcome Kathy to the podcast, so I'm really excited to unpick your career and how you've got into property in the first place, but also flip to the negative side.

00;01;07;21 - 00;01;14;21

HOST

Yeah, throughout your career, but can you just tell me and the listeners a little bit about how you, how and why you got into property in the first place?

00;01;14;23 - 00;01;35;29

GUEST

Yeah, serendipitous. I think, generally, I think it was sort of one of those things when I was at school that was vaguely good at maths, quite liked a bit of geography, didn't really like sitting still, and thinking and, and being part of a sort of a job that was a process and wanted more of a sort of, I don't know, outdoors, thinking about things.

00;01;35;29 - 00;01;54;12

GUEST

Job. Which is going to sound horrendously vague, but actually somebody came in on a, a talk to the school and said, I'm a surveyor and this is what I do. And, you know, you get out and you're meeting people and it's a market. So we do transactions and, you know, it's all about thinking about the economics of markets, etc..

00;01;54;12 - 00;02;05;23

GUEST

And I thought, well, that sounds interesting. And, went entirely for things up to that. So it literally was that one person. And back in the 80s, coming into the school that sort of triggered all of that.

00;02;05;25 - 00;02;09;29

HOST

And you had no family or no kind of prior context of real estate as an industry as a whole.

00;02;10;00 - 00;02;28;07

GUEST

No, not at all. My dad's, was he's retired now and lost a butcher and all of his, you know, parents and predecessors were in that. And my mother was a teacher, so, like, nothing at all. I like it. So it is just that serendipitous moment of meeting somebody and sparking, you know, those ideas.

00;02;28;08 - 00;02;37;14

HOST

Wow. So how did you take that kind of chance meeting and how did that evolve in terms of how did you kind of plot out the, you know, university in the next.

00;02;37;16 - 00;03;02;03

GUEST

Year or so? At the time, there were a few, only a few universities, doing the course, but I, ended up at Redding doing the land management course there, specializing in real estate investment and finance. Again, it's because I've got more of a mass type brain and sort of that felt like the, the area of interest for me and then came out and did the surveying, you know, to get my, epq.

00;03;02;04 - 00;03;23;08

GUEST

So that was cool. You pieces on the HTC, you kind of get your likes. Yeah. So I got that, and I'd worked at what was whether Walgreen and Smiths back then. It's changed its name several times. It's now part of BNP Paribas, but all the people who were there, and, and, you know, it did a rotation through and all all the different areas of surveying.

00;03;23;11 - 00;03;45;01

GUEST

But I think I also quickly realized that, whilst real estate was of interest to me, I moved quite quickly, actually after qualifying, and moved into a very small company looking at fund management for a big US pension fund. It's still investing. And that was way more of interest to me than doing the agency side, which frankly, I wasn't very good at.

00;03;45;06 - 00;03;51;05

HOST

What why was it more interesting and what what what experience of surveying had you had or the rotations that you had up to that stage?

00;03;51;08 - 00;04;18;13

GUEST

Most of my first one actually was in business rates, which I was horrified about. And I don't know why I was horrified about it, but I think it's not didn't seem a very sort of sexy area, did it? Thinking about, you know, business rates. But it was an extremely good area to learn. And because it's valuation, it's thinking about a lot of the different points about why property is good and not so good and how that compares to other things, and negotiation, which fundamentally is a massive part of this business.

00;04;18;15 - 00;04;38;20

GUEST

And so actually, it turned out to be a really good place. And then I moved into our city office, which at the time this was the early 90s. The city was dead. Huge oversupply of offices, you know, and all rent reviews were basically coming at nil increase. But we were doing rent reviews on some of the retail there and looking at some of the alternative views going on and valuation.

00;04;38;23 - 00;04;56;08

GUEST

And I found that all very interesting. But as I say, the, you know, I did a bit of investment agency there and realized that wasn't I wasn't very good at the agency side of it, but I liked the investment side and why you should be doing it, and therefore probably felt that I wanted to be more client side than advisory side.

00;04;56;08 - 00;05;04;19

HOST

And at that stage, was it very much a well-trodden path? Go and get your letters. Go and tell your agency, well, yeah, it wasn't a you can go and be a principal or go on to the top.

00;05;04;19 - 00;05;24;07

GUEST

So it's hard. Yeah. And and again, you know I think with all of these things, it was serendipitous that I met

some people who, were setting up and coming out of Lendlease. And it was a company called Parks and Company run by Joe Parks. I happened to have met somebody who was there as one of the sort of founding people, and they wanted a junior and, you.

00:05:24;07 - 00:05:24;26

HOST

Stuck a hand up.

00:05:24;26 - 00:05:31;02

GUEST

As well? Yeah, I think that's it. I was sort of smiling and being inquisitive at the right time. So right time my place again.

00:05:31;05 - 00:05:34;14

HOST

And so what was the role that you went in to do? That business.

00:05:34;14 - 00:05:57;04

GUEST

So I was basically working with, the fund managers, investment managers and helping them sort of, do due diligence, find properties, do the modeling, write the reports, all of that sort of stuff. But it was learning from some very experienced people. I mean, it was sort of, you know, there was it was a very small company. I mean, I think I was the second employee other than the founders.

00:05:57;07 - 00:06:14;08

GUEST

But, you know, at the time we were in an office of five of us. And so I was learning from people who had years and years and years of experience, which was that was the deciding factor for me, really. It was sort of, you know, much as I loved being whether or as I said, I wasn't very good at it, but I really enjoyed being there.

00:06:14;10 - 00:06:33;15

GUEST

You know, you'd learn from the people above you. And it was there were hierarchies, too, that I jumped there and was learning from people who've been in the business for decades and, and was learning huge amounts and being taken to every single meeting. And, you know, the sort of the learning curve was very steep, basically. But we were buying properties for, TIAA-Cref.

00:06:33;15 - 00:06:46;20

GUEST

So it's a at the time it was one of the largest, pension funds, and it was basically buying assets. In the UK at the time. It then expanded to Europe while I was still at Parks and Company. I actually moved into a different role at that point.

00:06:46;22 - 00:06:50;28

HOST

And in terms of the investable universe, office, retail and industrial at that stage.

00:06:50;28 - 00:07:14;22

GUEST

Yeah. Yeah, exactly. We'd been buying, retail parks. We had offices. And we were doing it mainly, in joint venture. So we were doing joint ventures with, the predecessor to Delancey, as a corporate. So with Jamie Ritblat and also had done stuff with British Land, etc., but, you know, that's what I mean.

00:07:14;22 - 00:07:23;25

GUEST

You were meeting some, you know, some of the, some of the real heavyweights in property and getting to speak with them and understand that. So as far as the learning curve, it was superb.

00;07;24;00 - 00;07;41;08

HOST

Yeah. Sounds absolutely phenomenal to kind of work with people who had decades worth of experience and, and kind of sit in their pockets and learn all the tricks of the trade and how they looked at things in lots of, supercharged your, your experience compared to your peers who are still, on the advisory side.

00;07;41;11 - 00;08;11;00

GUEST

Yeah, I think it was just, it was just a completely different path. I was learning about things that were, and, and also, you know, my curiosity was being piqued in very different areas. And it was being spread across a very wide area, whereas a lot of my peers were, becoming very, you know, their experience was more and probably more than once they had come through the ranks, you know, they'd gone into a department and were learning that and becoming experts in it.

00;08;11;02 - 00;08;28;25

GUEST

I was not an expert in anything, but I was getting to learn lots of things. And actually that is way more my, my sort of personality. Yeah. My patience level and my ability to concentrate on lots of, you know, on something for a very, very long time and, and get deep into it. It's limited.

00;08;28;27 - 00;08;34;24

HOST

And so, so what was the what was the next move after Parkes and Company and why did you decide to, to change?

00;08;34;27 - 00;08;55;24

GUEST

So actually I moved internally in Parks and Company away from the fund management side and moved into the corporate finance side. And that was an area that had been set up, to advise clients. So actually, I went back into advisory. But they needed someone who was junior who could and come in and learn it, and it was a step sideways, possibly backwards.

00;08;55;26 - 00;09;23;23

GUEST

But the general point about it was that we were buying for teachers with all cash. And a lot of the people we were buying with were putting debt against their portion of the joint venture. And when you spoke to them about why they were doing it, it was very obvious that at the time. I know things have moved since then and this is the 90s, but if you've, you know, you were cash flowing, something on an asset of 70% and could borrow less than that, you know, the positive leverage meant that you were getting better equity returns.

00;09;23;23 - 00;09;52;23

GUEST

And, you know, and the risk profile wasn't massively increased. So the corporate finance side of things was sort of. And then again, another area that I hadn't really worked in at all, and I wanted to learn. So I moved into that and started working with people who had been in, banks and advisory sites. And was learning from them, but realized that there was a lot more to learn.

00;09;52;26 - 00;10;17;01

GUEST

And probably my the gaps in my knowledge were much bigger than, they had been on the property side

when I was learning that because I had more of a basis in that. And so I went. That's when I went to do the MBA. I actually went there on a bit of the securities route as well, because I decided that I was going to go and, do, an MSC in corporate finance at London Business School because that's what I thought was missing from my knowledge.

00;10;17;03 - 00;10;36;15

GUEST

And I went along there and went to the evening all about it. And, you know, this is how you apply and this is what it's all about. But I've done a load of research and really thought that was the right one. But they sat there and said, just to be clear, if you guys want to learn about management, marketing, how to run a business, all these other things, you're in the wrong room.

00;10;36;15 - 00;10;53;04

GUEST

You need to be next door in the MBA room. And please don't start this course thinking that we're going to teach you that because we're not. I'm paraphrasing. And I sat there, so. Oh, I do want to learn about all those things as well. Why would I just limit myself to only understanding this one part if I'm going to be investing?

00;10;53;04 - 00;11;13;20

GUEST

Because it's it was quite a big amount of money that I'd be spending to do this. And so I went next door and sat with the MBA and thought, oh, okay, this is quite interesting. It's a much longer course. London, I think, was two years. It might not be now, but it was two years at the time and not earning for two years.

00;11;13;20 - 00;11;33;27

GUEST

And, investing all of that money basically, and having to live in London, which we all know is not cheap, felt like too much of an expense. So that's how I ended up at Insead. Instead. Its one year it was in France, which is a lot cheaper, so the sort of the opportunity cost or lost salary or whatever it was in terms of the investment I made was less, but it's still a prestigious you.

00;11;33;28 - 00;11;37;04

GUEST

It's a very prestigious MBA and I figured that I would, you know.

00;11;37;06 - 00;11;44;10

HOST

Learn more quickly had you self identified that. So had you had a mentor, you know, that kind of guided or helped you? I've had this.

00;11;44;10 - 00;12;16;15

GUEST

Tons of mentors, but it was I think it's always the fact that I, part of it was self identified, and part of it was that I had spoken to people who've done MBAs, and then ask them about it. But the MBA part was, as I say, really only came out of this MSC conversation, in corporate finance and that was me basically not feeling 100% comfortable that I knew exactly what all of these things that people were talking about and, you know, trying to learn of other people who were trying to work all the time is great.

00;12;16;15 - 00;12;25;09

GUEST

But actually, you know, having a solid basis is also, from my point of view, you know, much more, comfortable.

00;12;25;11 - 00;12;30;24

HOST

So did did the, do the MBA plug, the, the gap or the hole that you.

00;12;30;26 - 00;12;54;09

GUEST

It definitely did. And it gave me so much more. I mean, I think so the finance part. Yeah, definitely. And but it was all the other stuff around it and actually, I think quite a lot of it was just, it was, it gave me an opportunity to sit back and think, because, you know, I'd been running quite hard up until that point.

00;12;54;09 - 00;13;11;18

GUEST

I'd been learning lots, I'd been working, you know, very long hours and never really stopped and sort of tried to amalgamate everything. And actually this was a chance to sort of sit back and think and look and sort of see things from the outside, but also because I was I was pretty much the only person there who had a real estate background.

00;13;11;18 - 00;13;30;19

GUEST

There was, a person I've met who was a lawyer who worked on some funds with me, but other than that, there was no one else really who had that. So seeing how other people viewed what they were doing and what I did and everything just gave me way more perspective on life because I had come through a degree in property, you know, from reading.

00;13;30;19 - 00;13;51;22

GUEST

So there were tons of us who came out as graduates, gone straight into the surveying again. Everyone around us was in that, in that sort of, I don't know, there's tramlines. A lot of my social life was with people who were still who were from reading and all the rest of it. So being able to come out and sort of see the world from a different place, especially for real estate, because we're serving all of those industries, right?

00;13;51;25 - 00;14;03;03

GUEST

We're trying to find solutions and make sure that the the property and the infrastructure and everything we've got works for those people. It was, it was a great time to sort of sit and take stock.

00;14;03;06 - 00;14;10;13

HOST

You then landed at, Hudson Advisors, Lone Star, if I'm not wrong, how did that come about? And what did your kind of role look like there?

00;14;10;15 - 00;14;29;01

GUEST

Well, so when I did, my MBA was, early 2000, so we just had 911. So that was fun and sort of I think I've made a, a bit of a habit of trying to find a job coming out of university was in a, a recession and then nine over 11 cause, you know, we'd had the.com crash and then we had, 911.

00;14;29;01 - 00;14;55;10

GUEST

And I just distinctly remember everybody coming into, into the business school and saying, well, normally I'd be telling you that we would have X number of jobs, but we don't. This year, which is coming to say, good luck. You were like, oh, this is going to be fun. But I think, again, you know, I wasn't going to go down the sort of, the investment bank or the, management consultant who were the people who were sort of coming in for the milk rounds, had to find it by myself.

00;14;55;13 - 00;15;12;27

GUEST

I'd been in Europe. I'd learned in theory. I'd learned to foreign languages. And I wrote an email. An email I did in my, Spanish exam and an essay on shareholder value. And so I was thinking about this morning, and I couldn't even tell you any of the words at all in that now, but there we go.

00;15;12;29 - 00;15;34;01

GUEST

But I sort of came out feeling that I had this European presence now, and it only really worked in the UK up until that point and really wanted to sort of be able to, you know, use languages, etc.. Rather naively probably. But, the the Hudson role working with Lone Star, was all about buying across Europe.

00;15;34;04 - 00;15;55;20

GUEST

The office was based in London, and that fitted me perfectly the opportunity to be, again with some very, senior people who'd been in the industry a lot. I could learn a lot from them and then take that and apply it to different things around Europe and different markets. Was was really the very interesting part of that role.

00;15;55;22 - 00;16;17;21

GUEST

Which we did. I didn't stay there very long. There was a very strong reason for that. I loved it there. But I moved actually to Lehman, having said I wouldn't go to an investment bank and then did, the Hudson roles actually moved everybody to Germany, and I could see this. They were moving generally people on a sort of, every month there'd be another sort of person who'd get the you and your family.

00;16;17;21 - 00;16;35;09

GUEST

And I'm moving to Germany because that was when all the non-performing loans from Germany were coming out, and they could see that as a very big growth area for them. From a personal point of view, I didn't want to move to Germany. And so I realized that actually I needed to find something else that was sort of based in London, but could still provide that.

00;16;35;09 - 00;16;47;01

GUEST

And at the time, Lehman was absolutely doing that. So I moved in to do the, equity co-investment. And also you could do mezzanine loans as well. Within that group.

00;16;47;03 - 00;16;53;07

HOST

So, someone listening to this who doesn't know what equity co-investment means, mezzanine loans. Oh, yes. Oh, can you just tell them, please?

00;16;53;08 - 00;17;17;23

GUEST

Yes. So, Lehman was a source of capital. And so if we were going to put equity cash into a project, alongside a partner, it would be alongside an operating partner who was bringing the expertise. So that's the co-invest part. We would basically allow somebody to do more than they were capable of doing on their own balance sheet basis.

00;17;17;25 - 00;17;34;27

GUEST

Sometimes we did that with equity, and sometimes if they needed to plug the gap because they didn't have enough money, we would come in with a mezzanine loan. And that basically means you normally get a loan, which we call senior, which is effectively just like a mortgage on your house. And then the rest

of it is cash.

00;17;34;27 - 00;17;47;03

GUEST

The mezzanine sits in the middle, so it's slightly more, equity like in its risk profile. And it costs more than senior, obviously, because it's more risky.

00;17;47;05 - 00;18;08;05

HOST

And so you are you're working across both equity investment and mezz. Yeah. Tranches as well. Still with within direct real estate. So were you doing a lot of screening of operating partners and deals at this stage, and had your role materially changed from what you'd previously done, or was it similar but with just a slightly different lens?

00;18;08;07 - 00;18;32;16

GUEST

I think it's a different lens. It was a different risk profile as well from having worked, doing right at the very start, doing the work with the pension fund, which was very much core return. So low risk, lower returns. We were working with some amazing operating partners. I mean, at the time we did joint ventures with United Students.

00;18;32;18 - 00;18;58;25

GUEST

And this was early 2000. So maybe 2003, 2004. That's a very mature market, you know, to obviously, you know, have have well, that one of the largest players in that market and very well established. But at the time it was, a fairly fledgling company that's feels wrong to say. Right now, but they were trying to grow, they had, again, constraints on their balance sheet as to what they could do.

00;18;58;28 - 00;19;21;14

GUEST

Constraints really from, they were listed from the stock exchanges to the size of projects they could do. So we did two of their larger deals with them and development deals, and just meant that some of the risk that they were taking there was was lower, but it was people like that that we were doing deals with. So, amazing operators, just people who needed people to believe in that sector when that sector at the time was immature.

00;19;21;17 - 00;19;41;03

HOST

Talk to me about the GFC and, and, and Lehman because you actually went through it. I did and I'm sure we could probably do five podcasts on this. Yeah. So the, the kind of the top line, Alex, I know you left in, 2011. Yes. Talk to me about that kind of period and, the market and, and what your role looked like then.

00;19;41;06 - 00;20;03;23

GUEST

So, I mean, if we cast our minds back 2007, August 2007, I think it was we had northern Rock, issues or what went on with northern Rock and all those queues outside. You remember all of that? And that was sort of a big shock to the market. But the market then carried on a bit longer, was limping along.

00;20;03;23 - 00;20;35;09

GUEST

And then in March we had Bear Stearns. I remember we were all at Mipim when we got the announcement. The Pistons was, was in trouble and was being rescued. And we all knew that, you know, things weren't going well. We were all in the process of trying to work, work out, positions that we had and make sure the, the risk that we were taking was lowered, etc. at the time, we had a number of positions in Lehman's balance sheet and what we were doing, and this was subsequently done by others after



Lehman went bust.

00;20;35;09 - 00;20;53;16

GUEST

We just didn't get there quickly enough. Was we were setting up a bad bank. In good bank, there was going to be a split, and everyone who had shares in Lehman would get shares in both, and there would be liquidity of both, which would meant really that, you know, you like getting bad bank away. Good bank could then sort of be free to do what it wanted.

00;20;53;16 - 00;21;21;23

GUEST

Again. So I worked on every single position in the on the European balance sheet for real estate. Because I was going to be reporting to someone in the US who was going to be running that bank real estate. So I basically spent the entire summer, in a room going through every single position, making sure that I understood it so that we could move stuff away and know that you know, what the valuation was, etc. what that meant was we didn't get there in time.

00;21;21;26 - 00;21;42;12

GUEST

And the, the shorting of the market of the Lehman stock meant that, you know, insolvency came about. And we tried very hard to see if we could, get some liquidity right at the last moment. I distinctly remember being in a Madonna concert, Wembley, actually, and being called into the office at 11:00 at night and thinking, this doesn't sound very good.

00;21;42;19 - 00;21;58;26

GUEST

And I didn't leave again until the Sunday. I think that was probably 4 or 5 days that I didn't leave the office. And we just put my head down on the desk and sleep for a bit and carry on. But by the Sunday we knew, I mean, I came home and knew that the phone hadn't rung. No one, no one had asked us any questions for 24 hours.

00;21;58;26 - 00;22;21;29

GUEST

It's like no one's no one's out there buying us. But what it meant on the Monday when I came in and we had administrators running around trying to sort of sort everything out was when they said, okay, who knows? Most about all of these positions. It was like, okay, I've spent the last X number of months getting to know everything because I was going to be staying with those assets and not with the new thing.

00;22;22;02 - 00;22;49;03

GUEST

So there were three of us who stayed, and then we actually managed to get jobs for other people. Just because because of the scope of the work that we needed to do. But fundamentally, there were three of us who were working through it with WC, in the UK administration. It then became clear that a lot of the European assets actually were under the US administration, not the UK one, just because of where the company sat and where their parents were.

00;22;49;05 - 00;23;15;10

GUEST

And so in January I actually moved to the US one having sort of worked for three months with TWC and let them understand everything that was in this US administration was a lot easier to work with. The structure they've got there is that you have this moratorium, but you can still, trade is not the right word, but you could still you can do a lot more under the US, you know, chapter 11 than you can under UK administration.

00;23;15;12 - 00;23;37;22

GUEST

And so we actually went and invested more money by buying in other, positions around the ones we had so that we would end up with a better value. And you can do that on the basis that the money that you're investing is safe and it'll improve the value of the thing that you've already got. Yeah. So if we owned like 20% of the loan, we would go and buy the remaining loan.

00;23;37;24 - 00;23;43;01

GUEST

And that just meant that there was better liquidity. Or you could, you could actually speak,

00;23;43;03 - 00;23;43;22

HOST

More control.

00;23;43;22 - 00;23;54;00

GUEST

More control exactly with borrowers and sort things out more. When you weren't dealing at the time, you were dealing with a lot of people who were all trying to work out what they were doing, because all of these things that, you know.

00;23;54;02 - 00;23;57;17

HOST

They're all fragmented and actually pretty darn close together. Yeah. Control.

00;23;57;20 - 00;23;58;07

GUEST

Exactly.

00;23;58;12 - 00;23;58;27

HOST

Right.

00;23;59;00 - 00;24;19;20

GUEST

So a lot of it involved, once again, it's all around sort of okay, what do you know. And the sort of breadth of how you can think about things, lots of pivoting to sort of think about how you can, you know, make the best out of that situation. And reading a lot of documents and every single word, which is probably make me slightly paranoid after that.

00;24;19;20 - 00;24;23;03

GUEST

But when I don't like documents because every word counts.

00;24;23;03 - 00;24;26;05

HOST

Yeah. Especially for someone who doesn't like sitting still, as you said, it can do.

00;24;26;07 - 00;24;40;14

GUEST

You could say if I need to, but if you ask me for work to work for a year on one thing, then I can't then. But now I can focus on I can focus on documents and every single word counted at that point. That was that was a lot of learning.

00;24;40;16 - 00;24;54;12

HOST

Again, that period must have, you know, supercharged your experience in comparison to some of your peers at, at other shops. Just in terms of the amount of work that you're getting through the the intensity of it, the pressure around it as well.

00:24:54;14 - 00:25:18;17

GUEST

I think I think that's right. I mean, actually, when you look back at it, as I say, that the chapter 11 administration or insolvency, because it allowed us to do things, actually meant we were one of the only people who were able to do this. There were a lot of other people sitting in other banks who weren't allowed to change anything because of fear of, you know, crystallizing anything, basically.

00:25:18;24 - 00:25:37;09

GUEST

And they wanted to sort of, you know, work through things over a very long time period because Lehman had gone bust. Everybody knew that, you know, there wasn't we couldn't get any worse. Right? We were already at the bottom. And therefore you sort of had, I think, much more scope and leeway to do stuff at a time when there was a lot of paralysis, which I think is your point.

00:25:37;10 - 00:25:40;08

GUEST

I'm totally agree.

00:25:40;11 - 00:25:58;07

HOST

You moved after a stint at Lehman. Yeah. To TIAA. Yes. For a short period before going back to Hudson. Can you just talk to me about that? Because I'm also keen to spend a bit of time in this conversation with Jane and then more on on thrive in the market as well. But just kind of trying to.

00:25:58;15 - 00:26:19;12

GUEST

You know, that's one question. So, at the time, as we say, the market was in paralysis. Most of the banks weren't lending at all because they were trying to sort out their loan books. And a lot of people were setting up debt funds because this was the sort of, okay, that's where we can get liquidity from Citi.

00:26:19;12 - 00:26:37;04

GUEST

Achraf was the pension fund that I'd been working with when I first moved out of West roles and moved into fund management, and I'd always kept in contact with them, and they basically said, you guys have been in this market in Europe for so long and actually in the States, your loan book, your real estate loan book is bigger than your equity book.

00:26:37;07 - 00:26:56;18

GUEST

So you have more loans than you do, actually, properties that you own in terms of dollars. But you don't have any loans in Europe, but you've been in the market for, I think at the time was something like 17 years. This is this is your market. You need to be here. And at the time, you know, people couldn't get a loan on anything like what they had been before.

00:26:56;18 - 00:27:18;00

GUEST

And low leverage loans were, you know, had margins that were things that hadn't been seen for years at that level. But it really was a chance of like the market has massively shifted. There's an absolute ability for new entrants to come in and you need to come in. You know, the sort of the, the hold on the market up until then.

00;27;18;00 - 00;27;43;25

GUEST

The European market has always been the liquidity and it's come back a little bit to that. But the liquidity has always been around five year terms and floating rate. And that was mainly the UK banks and German lenders and that sort of ilk. So in the US they have floating rate, but they also have this fixed rate debt which is coming mainly from insurance companies, which is what geographic was doing.

00;27;43;27 - 00;28;06;26

GUEST

And, and introducing that into the, into Europe when the market was basically, you know, looking inward and not able to sort of help its clients was the proposition that I went to them with and said, let's do this. We did it. We set it up. But in the meantime, TIAA-Cref having conversations with Henderson and that merger was happening.

00;28;06;29 - 00;28;07;16

HOST

Which is now.

00;28;07;16 - 00;28;40;23

GUEST

Nuveen, which is now Nuveen. Exactly. And, and they had a debt fund that was being set up. Christine, some took that over and was running that. And so we had this sort of the balance sheet money, if you will, of to crash on the fixed rate. And then we had the debt fund. And when we both got together and sort of, you know, both businesses were put together, it was an interesting proposition, but it probably wasn't as interesting as it was for me when I was thinking about growing the business and working back in the small company.

00;28;40;26 - 00;29;08;05

GUEST

Yeah. And that's really the bit that I like is the sort of, is being a bit more flexible about how to think about things. And this would back into a big company, and thinking about things from, from much more of a sort of fund management perspective. And at the time, Lone Star Hudson guys had come back from Germany, were now massively in the UK and buying NPLs in the UK.

00;29;08;05 - 00;29;15;03

GUEST

And they said, we need you to come over with your holistic view and try and help us with a whole load of transactions here.

00;29;15;05 - 00;29;19;11

HOST

And then NPL, for those who don't know what it is, is forming loan non-performing loans.

00;29;19;11 - 00;29;24;06

GUEST

So that's what the banks were selling off to clear their balance sheet so that they could then go forward and lend again.

00;29;24;11 - 00;29;29;17

HOST

And you guys were buying them at a discount, like packaging them up, working them out. Exactly. Making a profit.

00;29;29;21 - 00;29;31;05

GUEST

Exactly.

00;29;31;07 - 00;29;38;15

HOST

So talk to me about containment and how kind of the move out of, out of that came around.

00;29;38;18 - 00;30;08;24

GUEST

Yeah. So, the non-performing loan market, exactly as you described, you buy in bulk and then you sort out and, and, and it's actually quite a short period between the purchase and when you've sort of exited from, from that. The reason I came in was because I was taking a very holistic view across different markets, and they had been doing lots of different deals, and I was plucking things from different deals, putting them together as portfolios and selling them.

00;30;08;27 - 00;30;14;20

GUEST

So the if I did my job well, I would be out of a job quickly.

00;30;14;22 - 00;30;16;16

HOST

Yeah.

00;30;16;19 - 00;30;49;13

GUEST

And we did that and we, we were parceling up huge, hundreds of millions of portfolios into markets whereby as soon as the debt market basically was opening up, that allowed us to sell on, because that allowed other purchasers to come in and use the debt market there, and that's what we'd been doing. So that, again, was sort of plucking bits of information from all of the different parts of the career that I'd had, and allowing us to sort of think, you know, again, from a sort of big strategy in a big picture strategy side of things about how we could transact.

00;30;49;16 - 00;31;14;11

GUEST

So when we were approaching the fact that actually, you know, the number of employees that were remaining on the balance sheet were getting quite low. And that was, you know, the sort of the bulk of stuff had been dealt with. The company had been looking at the Take Private of Quinn team, and that was 2015. It occurred in September 2015 and I moved in January and and contain had been, as I say, a listed company.

00;31;14;11 - 00;31;35;16

GUEST

We took it private as part of the take private. They repaid all of the company's debt and its and its in its bonds, but it had a massive amount of development to do and the focus was to create, build to rent. Wembley and build to rent had been sort of I mean, it had been around the land.

00;31;35;16 - 00;31;54;25

GUEST

So you were doing a lot of it with the get living in the old, in Stratford in the old Olympic site. Yeah. But not a lot had occurred other than that, obviously. And, and I think Invesco were probably active all at that time. But in terms of, you know, you had to create it, you had to develop it wasn't something that you could transact and buy in the market.

00;31;54;27 - 00;32;13;11

GUEST

And so the opportunity to get a load of land, on a good transport hub in London and create this, was very

exciting. It was a different strategy to the one that the listed company had had, mainly because the listed company had constraints about the amount of development and the amount of debt it could take on.

00;32;13;14 - 00;32;41;25

GUEST

But all of those constraints were gone. Now, it was known privately. And, I came in basically to help them sort of supercharge that, get the investment in and understand and, and, and basically put the plan together. It sounds like I did it single handedly. That's not what I'm trying to impart. We were mobilizing massive teams, you know, from a group whereby, paraphrasing slightly, they were probably doing a new development every 18 months.

00;32;41;27 - 00;33;14;03

GUEST

We were starting new developments every six months. And, and, you know, these developments were 300 units plus the largest one being almost 800 units in one go. And so the amount of money that was, that was needed and invested and the resources from people and time and sort of coordination, etc. was huge. And so we actually got a big loan, an 800 million pound loan, the largest that that anyone had ever given in development terms for years.

00;33;14;05 - 00;33;35;24

GUEST

And in a new sector, which was incredibly difficult because most people, when the lending want to know that, you know, it's a sector that they know they can get out of and they're comfortable because it's in it's trading. But it again, went back to, I suppose, were, you know, one of the things I've mentioned before, it's like if it's an immature sector, just like, you know, it was in students 20 years ago now, this was an immature sector again.

00;33;35;24 - 00;33;40;09

GUEST

But you can draw on a whole load of different things to say to people. The risk is fine and here's why.

00;33;40;11 - 00;33;55;00

HOST

But also you must have been integral in that. Having sat on the other side of the table and sort of seen and and the, the quantum of work that you'd gone through for them to understand you and have trust in you. And I've, I don't know if it's you who kind of originated and structured that 800 million pound loan.

00;33;55;00 - 00;34;05;08

HOST

I'm sure there's a team. And it must have been confidence in terms of the leadership team around, signing that off and the and the business plan that you needed it for.

00;34;05;09 - 00;34;31;19

GUEST

Yeah, exactly. But also the size of Lone Star and the, you know, the depth of the amount of money that they've got behind it and they've invested in it. Simon Carter was the finance director at the time, was obviously now CEO of British Land. So he and I were working on that loan together. And sort of, and also just really trying to think about how we could do this in the most efficient manner as opposed to sort of the normal way.

00;34;31;19 - 00;34;50;08

GUEST

That's the right way of saying it would be. And what most people have done. Would you put a loan per property? But that means that you're using, you know, the the equity goes in and then your loan. And then once you've got to the point that it's up and running, you can then refinance it and refinance your loan

out.

00;34;50;10 - 00;35;15;18

GUEST

What we had was this 800 million for everything. And it sort of meant that because of the fungible nature of it, you didn't have to put in so much equity. But everyone got everything as their certificate. The whole estate is here, and therefore your risk is lower because we're not going to let everything drop. Whereas if one property went wrong, the theory is that if it goes wrong, you could hand the keys back on that, not that you would, but that that is how it could work.

00;35;15;21 - 00;35;26;13

GUEST

So actually sort of trying to think about things on a more on, you know, again, looking at it from a different angle. And that's always the sort of I suppose that's the intellectual challenge I quite like about lots of different things.

00;35;26;13 - 00;35;29;27

HOST

And the value in structuring it and, and the positioning part of it.

00;35;30;00 - 00;35;54;24

GUEST

But for me, also the real interesting part about it was that, you know, it's an operating business and lots of things in real estate have been moving away from it being the sort of the landlord collects its check. And in 25 years at the end of the lease, you know, it has a conversation with the tenant. Again, I'm being facetious, but, you know, everything was moving way more into that operating world, and I haven't really done that much in operating businesses.

00;35;54;26 - 00;36;06;11

GUEST

So this was the first time that I could get very close and see and understand it, because I was inside, and learning when everyone else was learning. So that for me, was the major drivers to want to be to.

00;36;06;13 - 00;36;16;21

HOST

Talk to you about, how capital came around and the role of the joining as a chief exec. Yeah. If you could just tell me about that, that'd be great.

00;36;16;23 - 00;36;49;28

GUEST

Yeah. So I suppose the operating business part that I was talking about was fundamentally really different, but also very interesting. I mean, it's actually, you know, it's residential. We've all live in a home. We all understand it. We probably all think we're experts on it. But understanding how you can manage large amounts of, homes, large amounts of customers, making sure that you are looking after your customers properly, it's a very different model to a lot of real estate,

00;36;50;00 - 00;36;50;29

HOST

Because it's so granular.

00;36;51;00 - 00;36;52;19

GUEST

Because it's so granular and.

00;36;52;21 - 00;37;00;21

HOST

So emotional, emotionally charged, because that's someone's actual home rather than there's not an office, it's just a lease and a place of.

00;37;00;21 - 00;37;28;22

GUEST

Work. Exactly. And but I think also, you know, lots of customers have much more vested in it, even if it is that they're renting and not owning. But I think it's a fascinating it's a fascinating market. And we all know that there's a housing crisis. And you need lots of new houses coming on stream in all different ten years in order to even have a, you know, a, a go at trying to solve that.

00;37;28;24 - 00;37;47;17

GUEST

And just sort of and just building houses for people to buy. Okay, fine. But actually, you know, what do people do until they can't buy? Does everybody want to buy? You know, people make lifestyle choices really about what they want elsewhere in the in the world, lots of people are in the private rented sector and very happy.

00;37;47;20 - 00;38;18;28

GUEST

It's a very UK centralized thing that people are very focused on home ownership and having an alternative, for running a business properly where you treat your customers properly and professionally as a landlord. I just think is is absolutely the right way to go for part of that solution. And so having worked at Quentin and we got, you know, we've developed thousands of units, leased them up, developed the operating business within the company as well.

00;38;19;00 - 00;38;48;03

GUEST

I really wanted to learn more about how we could do more of that elsewhere. And actually part of what we were doing as well was we actually sold off the affordable units, up at Quentin and didn't set ourselves up as, a private registered provider. But that was something that was a quite a lot of interest to me, because solving the affordable affordability issue needs, you know, is, again, a massive part of the housing crisis.

00;38;48;05 - 00;39;13;11

GUEST

And so the PSP capital role was really interesting. And it's and for a number of reasons, I think it's unique in the way it it sits. It is a fund manager with all of the credentials of being a fund manager. It's, regulated by the financial Conduct Authority. So we can look after people's money and on a discretionary basis, not all of the everything that we do is on that basis.

00;39;13;11 - 00;39;45;08

GUEST

We have joint ventures as well. It has great clients, blue chip clients. It's been established for years, but it had not grown anything like it could have done in a period of growth for the residential market that we've seen over the last few years. And I know that what I can do is help people grow and think about things from a different point of view, but it also because of its ownership through places of people, group, which is, a registered provider but has a number of other businesses as well.

00;39;45;11 - 00;40;12;22

GUEST

It just means that things like all of the profits from our business go back into the registered provider business and creates more housing and the circularity of that, I thought was amazing. Really like the fact that you can and I said it before in another interview that, you know, you can you can make profits, not be ashamed about it, because making profits is the way to bring investment into that market.



00;40;12;24 - 00;40;32;13

GUEST

And all pension funds are trying to solve is, you know, I need a return on my money because I need to give all pensioners a return on the money that they vested with us. And so, you know, if we want pension funds to come in and create more homes to help us, we need to show them that there are good returns, and not be ashamed about that.

00;40;32;13 - 00;41;02;23

GUEST

But at the same time, you can create social impact. You can create things that are helping, communities that are helping your customers, etc. and that sort of purpose, comes in, you know, in bags and bags with the group that we're part of. The amount of social impact projects that they're working on, the social value projects we do, the focus on the customer, the focus on health and wellbeing, education, employment for all customers.

00;41;02;25 - 00;41;32;17

GUEST

And we're rolling that out, not just to the direct customers of the group, but also the indirect ones. The people within, the fund management business. And some of our, management businesses as well. So we have this vertically integrated company where we can source, develop, manage and investment, manage and and exit as well, so we can go all the way through the whole cycle and do it extremely well.

00;41;32;21 - 00;41;39;11

GUEST

And it's got a track record in it and create purpose. It's sort of it's it felt too good to be true, to be honest.

00;41;39;14 - 00;41;50;23

HOST

You mentioned a couple of things in there. One is an app. Can you someone who doesn't know what, an app is, can you just. Yeah. Explain what what that is. And, yeah, I've gone a little bit in terms of.

00;41;50;26 - 00;42;22;09

GUEST

That's fine. So I suppose the old parlance is housing association. Yeah. So, our app is registered providers, so anyone who wants to employ grants and look after a capital, a affordable housing, needs to be a registered provider, which means they're regulated by the regulator for social housing. So, all parents and you can get in there, a not-for-profit registered provider, which means all of the, all of the money they make gets rolled back into creating more housing.

00;42;22;12 - 00;42;36;05

GUEST

You can't get a for profit registered provider, which means that, you are regulated, but you can also dividend money back out. And that's the ones that pension funds come into so that they can take money out.

00;42;36;07 - 00;42;43;29

HOST

And they operate a lot of the the assets that you will go and build. Is that correct or.

00;42;44;02 - 00;43;14;05

GUEST

Actually it can be operated by we have management companies that are in the group called touchstone and RMG Residential Management Group. They're the ones to manage it for us. But in terms of, you know, understanding of, of how to run a regulated entity, we've done it for nearly 50 years with in places for people group. You know, there's there's a wealth of experience and knowledge about how to invest in

and manage, affordable homes.

00;43;14;07 - 00;43;18;10

HOST

So, can you you've got kind of three investment strategies, don't you?

00;43;18;15 - 00;43;19;02

GUEST

At the moment.

00;43;19;02 - 00;43;28;03

HOST

At the business. Yeah. Can you just talk to me about the the name change to thrive you investments and then talk to me about those three different strategies that you currently have?

00;43;28;03 - 00;43;50;06

GUEST

Yeah of course. So when I joined, at the beginning of the year, and as you mentioned at the beginning, we were called PCP capital. And the brand awareness was quite low. What I wanted to do was drive brand awareness, but also I wasn't sure that that was the right brand, that we were telling people what our values were.

00;43;50;09 - 00;44;09;08

GUEST

And I really think it's important that people try and understand the sort of things that we wanted to do. Now I've sort of I'm not a marketing person, and I was just basically looking at it saying, well, we do investments and we're in the living sector, so why don't we call ourselves living investments? And I think I probably still own the domain names for those as well.

00;44;09;08 - 00;44;21;14

GUEST

Somewhere. But the people in the group who are in brand marketing, we're like, why don't we just, you know, think about that a bit more and see if we can come up with something that's, you know, not quite so utilitarian.

00;44;21;16 - 00;44;25;08

HOST

Yeah. Yeah. You're, you're, you're very smooth marketing slides in your MBA.

00;44;25;10 - 00;44;25;19

GUEST

Over a.

00;44;25;22 - 00;44;28;18

HOST

Couple of years ago. Yeah.

00;44;28;21 - 00;44;49;06

GUEST

And so we did this thing called a co-create, which was fascinating. And we got a whole load of stakeholders in and people from around the business and within the business and talked about what it is we are and what we kept coming back to is we're all about making sure we invest properly, and we invest and get the right returns for our customers and our clients.

00;44;49;09 - 00;45;11;05

GUEST

But at the same time, we're about doing that with the social conscience, and we're about creating social impact. And you can we get the two of those things come hand-in-hand together, and we don't want to focus on one to the exclusion of the other, because then it doesn't work. You want, you know, if you only focus on social impacts and you don't take care of your returns, your pension fund investors, you know, then.

00;45;11;05 - 00;45;11;19

HOST

It will turn.

00;45;11;19 - 00;45;32;08

GUEST

Out, just not going to turn up right? But if you only focus on your returns and don't look after social impact, well, then you're not doing what the purpose of what we want to do in the group is. And so those things really we kept saying the whole time, it's like, you know, I think one of the analogies was, it's like when you crack an egg open, you get two yolks, you get both at the same time in one go.

00;45;32;11 - 00;45;51;25

GUEST

And so actually what we were trying to then say is it's not just living, it's thriving. It's sort of elevated from that. And that's not to say that anyone actually had somebody say to me, does that mean that everyone who's got the word living in their company isn't doing it right? It's not at all. It's us just trying to sort of say what we've got as our purpose, which is.

00;45;51;28 - 00;46;11;10

GUEST

We do the living part, but we do another bit as well, which is we try to make sure everyone is thriving when they do it. And the thriving part is about thriving communities, about that social impact that we bring. It could be direct, it can be indirect, it can be both. The direct can be about what we're doing and creating and that we're providing more affordable housing.

00;46;11;16 - 00;46;29;26

GUEST

And the indirect is that everything that we do and our sister companies who manage it with us, profits go back to the company and they create more social housing for those those profits. And that was it really. And just sort of having that as far as our name and then getting the brand awareness higher because, you know, we're trying to grow the company.

00;46;29;26 - 00;46;53;29

GUEST

I want more people to know what we're doing. It just felt like doing that through that new brand was the right way. And so we've got a lot of taglines that we that, you know, that we use as well. And they always come as couplets to try and show those two sides. My favorite being, community Games Capital Wins, which is a bit of a play on words, on capital gains, etc. but it sort of encapsulates really what we're after.

00;46;54;01 - 00;46;57;22

HOST

Talking about the three strategies that you,

00;46;57;24 - 00;46;58;19

GUEST

That we currently go.

00;46;58;20 - 00;47;04;19

HOST

Yeah, that you've currently got. Because if I'm not wrong, they're called picture living. Yeah. New Avenue living and then igloo development.

00;47;04;24 - 00;47;30;17

GUEST

That's right. So picture living has been going for over five years now and it's, I suppose old parlance pairs new permanent suburban build to rent, which effectively means single family housing and low rise, apartment blocks. So not what we were creating it contained in London. They know the sort of heavily amenities more high rise apartment, but regional spread all over the UK.

00;47;30;21 - 00;47;53;01

GUEST

It's got around 1800 homes or something in it at the moment. And it's continuing to grow, and we buy small amounts of homes in, in locations all around the country. That's joint venture with US University Superannuation Scheme and then New Avenue Living is our key worker fund. That's in Scotland. We love this concept.

00;47;53;01 - 00;48;14;16

GUEST

Totally. It's, for us, it's, it helps what we call the squeeze middle, which are the people who find market value renting, too spicy. It's too expensive for them in locations they want to be, but they earn too much to be. Ever get to the top of a housing list and so they're in this middle where they're sort of like, I need accommodation, I need to rent, but.

00;48;14;16 - 00;48;40;15

GUEST

Or buy, I suppose. But I need it to be at a discounted level. And so that's what it's an intermediate really strategy. And that's what we've been creating in Scotland. We have, over 1100 homes now on that. They're all new build. They're all EPC A or B. So low energy bills as well. So the cost of occupancy is low and they're all at a discount to market rent.

00;48;40;18 - 00;49;00;17

GUEST

Roughly between 50 to 75% of what the market rents are. And you have to have, there's a you have to qualify by having, salary or household income that is below a threshold. So it is aimed at key workers or people have lower salaries, but it still means they can commute easily to their place of work.

00;49;00;19 - 00;49;29;03

GUEST

And that's something that we are looking to roll out elsewhere, basically. It's a very interesting strategy for, for us. And it's one that, as I say, we're really quite focused on that sector of the market. Housing associations look after the sort of real, affordable social rent side market value. We've got our own strategy, but lots of people are on really to try and help the people who are in that, where affordability is, you know, the biggest issue, especially in the cost of living crisis.

00;49;29;05 - 00;49;50;24

GUEST

And then I'll ask one is igloo. That's a partnership that we've had for a number of years. And we actually bought the company in January to the now a subsidiary of us. There are redevelopment, regeneration, should I say development company for regeneration. They again a UK wide. I'm very focused on, net zero or net positive homes.

00;49;50;24 - 00;50;00;21

GUEST

So what we're after there is zero bills effectively. And they're creating those, in partnerships all around the country. As you said, we have got six schemes up and running right now.

00;50;00;24 - 00;50;17;06

HOST

So a portfolio of about 700 million, 3500, private rented sector and for sale homes, as well as a six region projects. Yeah. You've got a target of 20,000 homes now, how are you going to get there and what are the strategies.

00;50;17;08 - 00;50;49;08

GUEST

Well, in the offing. So we've talked about one of them, which is this for profit RPA. And we're going down the route of it makes sense for us to be doing capital, a affordable, more regulated, tenancies as well. So we're going we're setting this up, and talking to different investors about that strategy. So that's one we have the ability within the, the places for people group to access stock that that building which can come into that strategy and we can buy in the open market as well.

00;50;49;10 - 00;51;08;26

GUEST

We will continue to grow our market value as well. As we say. I think the whole point about sort of trying to deliver homes is that you do it in a number of different tenures. So, we are growing the private rented market value one. But it's at a small, affordable level. We make sure the affordability is right for the median incomes in the area.

00;51;08;29 - 00;51;32;07

GUEST

We will be growing our key worker. And we're also looking at student as well. And the rationale for us looking at things like student, you know, there's been lots of stories, haven't there, about affordability of students. And if you look at the affordability, I think the National Union of Students says the affordable should be 130 pounds per week that a student is paying for its accommodation.

00;51;32;09 - 00;51;52;11

GUEST

It's about 20%, I think, if the stock is at that level to 80% by definition, if I've got my numbers right, is that it's unaffordable. And my concern or our general concern with that is that you're going to then have, you know, university education will become elitist and only available to those who can afford these elevated levels. And we're not alone in that.

00;51;52;11 - 00;52;24;00

GUEST

Lots of student accommodation providers are all trying to, you know, make sure that there is, affordability across the range. But again, it just comes down to supply. And so we're looking at how we can come into that market, but specifically around making it affordable. And at that lower level. So not maybe, you know, looking less at things like studios and studios, but looking more at cluster flats, looking at making sure it's a discount to, you know, whether prices are for that market, etc..

00;52;24;02 - 00;52;46;06

HOST

I've got so many more questions I could ask you for hours and hours and hours and just mindful of time. You've had a fascinating career as you've shared. I get the real sense that relationships, and kind of trust is really important to you as you've kind of gone back and, and leveraged existing relationships over your career and obviously recently appointed Jamie Younger.

00;52;46;10 - 00;52;54;27

HOST

Yeah. As fund manager out of, Patricia, having worked with him back in the alert time. You're leaving days, right?

00:52:54;27 - 00:52:55;23

GUEST

Parks and company and.

00:52:55;25 - 00:53:13;10

HOST

Parks and company. And I'm really excited to see what what you and the team go on to do some. Can you just offer up a bit of advice? So maybe someone who's early on in their career, like what advice would you give them? Who who might be a surveyor at a surveying practice right now who might have listened to this and gone?

00:53:13;10 - 00:53:29;17

HOST

Well, she's worked in the US banking, she's been on the equity side, you know, corporate finance. You know, you've kind of been able to evolve and and drive your career forward at rapid pace. What advice would you would you give to someone?

00:53:29;21 - 00:53:33;19

GUEST

I think it's,

00:53:33;22 - 00:54:03;14

GUEST

That sometimes when you, when you want to move forward, it's not a direct line forward. So, there's this book called The Squiggly Career. And actually, the line should be going all over the place because that's when you learn and you see the breadth, and don't be afraid to move sideways, even if it's sideways and a little bit back, because then you might find that you've opened up something that you can, move much more quickly in, or it can advance your career in so many different ways.

00:54:03;16 - 00:54:26;18

GUEST

And I've taken that sideways step, possibly backwards, a number of times and said, okay, I'm fine with, you know, I don't have to move and get, you know, a promotion and a different title, etc. I'm moving because I'm going to be learning something that is a gap, and it's a skills gap that I have and that I think I need and that's that's really what's governed.

00:54:26;18 - 00:54:54;04

GUEST

How I've tried to move in my career. And if you get too comfortable, you're not learning, you're not growing. And, I enjoy working with people who are fine with being uncomfortable because that means that we're all trying to think about things and learn things and do things in a slightly different way. And that's not in a way to be indifferent for the sake of being different, but especially in a market like we've got today.

00:54:54;04 - 00:55:12;21

GUEST

It's a it's a market whereby, you know, interest rates have suddenly rose and we're all in this new paradigm and lots of people are still trying to work out, you know, has the market settled? Am I interested in investing at this level or whatever it might be? So, you know, if you're sitting there and trying to do what you were doing three years ago, it's not going to work.

00:55:12;24 - 00:55:37;17

GUEST

You have to keep pivoting, and you have to keep looking for different ways to find routes to get things to happen. And that comes from working with people who are comfortable to make that change and think flexibly. And that's who I like to surround myself with. And as I say, I've worked with Jamie Street. This is the third time, I'd be very happy to work with other people I've worked with before, and I've also returned, as I said before, to other things.

00:55:37;19 - 00:55:56;09

GUEST

Worked at Leinster twice, worked with teachers, twice moving away from people and keeping those relationships strong as it is. Absolutely the number one thing to do. This market is all about the people that you can call on and talk to and understand and and move forward with. Right.

00:55:56;12 - 00:56:09;29

HOST

A question as we draw to an end that I ask everyone who comes on the podcast is if I gave you 500 million pounds worth of capital, who are the people? What property and which place would you allocate that capital?

00:56:10;01 - 00:56:17;01

GUEST

So I'm going to make the assumption saying is it's a hypothetical 500 million that that it's an extra 500 million and not my first.

00:56:17;01 - 00:56:19;07

HOST

Correct.

00:56:19;10 - 00:56:53;21

GUEST

I would I like the idea of doing it for things that are purposeful. So housing for me is just the biggest crisis we've got in the UK right now. So it has to be with that. But also I think in things like moving us forward in things like renewable energy and infrastructure, I think those markets, both of those markets, I see housing anyway with one foot in real estate, one foot in the infrastructure market, it would be in those areas and you could play in different sort of areas of the risk spectrum with them to get different types of returns.

00:56:53;21 - 00:56:56;06

GUEST

But that's most definitely where I would put it.

00:56:56;08 - 00:56:57;08

HOST

Across the UK.

00:56:57;09 - 00:56:58;08

GUEST

Across the UK.

00:56:58;10 - 00:57:02;12

HOST

And any people that you would bring on the journey in terms of, deploying that capital.

00:57:02;18 - 00:57:03;21

GUEST

The team I've got right now.

00;57;03;22 - 00;57;08;20

HOST

That anyone outside of your team.

00;57;08;23 - 00;57;22;07

GUEST

Yeah, I suppose mentors I've had along the way. They'd blush if I mentioned that, if I mention them. But I've had a number of people that I've worked with again on numerous occasions and very happy to work with them again. They know who they are.

00;57;22;09 - 00;57;33;08

HOST

Well, Kath, you've, like I said, you've had a fascinating, background career. You know, your energy is infectious. And I'm really excited to see what you and the team go on to do. Thriving investments.

00;57;33;08 - 00;57;37;01

GUEST

Thanks, Matt.

00;57;37;04 - 00;57;42;26

GUEST

I didn't croak out either. It's just psychosomatic. Is.