00:00:00:02 - 00:00:34:14
HOST
Welcome to the People Property Place podcast today. I'm absolutely delighted, to welcome Stacey Patten, director of Multifamily Investment Management UK and Nordics at Invesco Real Estate since its inception 40 years ago in 1983, Invesco Real Estate has been investing in direct property and public traded real asset securities across the risk return spectrum, across the globe and throughout the capital stock.

00:00:34:16 - 00:01:00:23
HOST
Stacey started her real estate career in the US at Jim Real Estate before moving to Invesco. She spent three years running a pan US portfolio of multifamily assets before moving to the UK in September 2022. Stacey is a graduate of the University of California, Berkeley, and it gives me great pleasure that she joins me on the podcast today.

00:01:01:01 - 00:01:02:22
HOST
And Stacey, welcome to the podcast.

00:01:02:24 - 00:01:04:11
GUEST
Thank you. Happy to be here.

00:01:04:11 - 00:01:21:14
HOST
Not at all. Well, look, I'm fascinated to dive a little bit more into your background, career. The transition across the pond, the similarities and differences in the market and how you see things. But a place that I always like to start. These conversations, as you all know, is how and why did you get into real estate?

00:01:21:16 - 00:01:46:10
GUEST
I had a feeling this question was coming. So essentially, I'm the daughter of a contractor, so I grew up as I like to tell people, hammer in hand was on job sites from the time I was probably about 3 or 4 years old. And absolutely fascinated by how buildings are put together, how they're constructed. My dad, as I mentioned, ran a construction company.

00:01:46:12 - 00:02:08:10
GUEST
He was kind of a one man shop, if you will. And while he was really good at the craft, he wasn't so much good at the actual business part. So that inspired me to essentially, eventually, one day, pursue a career in real estate and kind of learn how businesses operated and one day be able to do it on my own.

00:02:08:12 - 00:02:11:15
GUEST
So that's that's what originally inspired me to get into the industry.

00:02:11:17 - 00:02:27:18
HOST
So your dad, worked in real estate. So that was kind of a gateway. And it was, what, like the pain of seeing your dad's, Or, like, the area that he could be much better at or improve or scale his business and all the benefits that come off the back of doing that was a bit that he he was more of a technician rather than a business guy.

00:02:27:19 - 00:02:29:11
GUEST

Exactly.

00:02:29:13 - 00:02:43:05
HOST
And so how did that how did that kind of manifest and how did that how did you go about, you know, trying to work out how you could get the business skills and, and apply yourself, like, what did you do?

00:02:43:10 - 00:03:09:04
GUEST
So, when I was 13, the economy in the US was quite difficult. So there was the, the kind of global financial crisis was going on at that point. And I started doing the bookkeeping for my dad's business. And so I got a firsthand view as to what things cost, where the profit margins lies. Some of the things on, managing kind of cash coming in, cash coming out, just the basic fundamental accounting skills.

00:03:09:06 - 00:03:34:15
GUEST
And was meeting with his CPA and tax person at that, you know, 15, 16, 17 years old. Well, fast forward to 17. I read the infamous Rich dad, Poor dad book that a lot of people seemed to stumble upon, and then they discover, oh my gosh, you can make this amazing career doing real estate. Which inspired me to essentially opened up a retirement account at 17.

00:03:34:17 - 00:03:52:08
GUEST
As I went into the bank, the bank, the manager of the bank basically said, when you turn 18, come back and I will get you a job working at the bank. I knew at that point that I was going to have to put myself through university. I was the oldest of three. My parents clearly didn't have the financials to send me to school.

00:03:52:10 - 00:04:12:19
GUEST
And so at that point in time, I graduated from high school and I started working full time at the bank, where I was kind of seeing how in some capacity how loans are coming together, little bits and pieces along the way. I was a bank teller for a while, so, that was a really good skill set in.

00:04:12:19 - 00:04:41:10
GUEST
And then, I ended up going to community college for four years. So I was working full time, doing night school or a combination throughout. And ended up transferring to UC Berkeley, where I finished my degree. So as a bit of a longer track, took me six years in total. And during the summer between my junior and my senior year of university, I did an internship at Peach and Real Estate, so I didn't even know that commercial real estate existed.

00:04:41:14 - 00:04:59:10
GUEST
I stumbled upon effectively an information session and went, wow, this is incredible. That is what I want to do. So that was the original path. And then that took me on, quite a journey in terms of an internship, a return offer, and the rest is sort of history from there.

00:04:59:10 - 00:05:04:07
HOST
Well, I guess your experience was it was your dad dealing with houses or what kind of real estate was he predominantly dealing with?

00:05:04:08 - 00:05:20:02
GUEST

Yeah, so he was doing a bit of everything, which is probably part of the issue is that if you're going to do it, you you probably want to focus on one thing and be really good at that. But he was doing sometimes commercial properties. So like the fit out of, you know, Ferragamo space in San Francisco or things like that.

00:05:20:04 - 00:05:26:13
GUEST
But also single family houses. So he, he kind of dabbled as in when things came through.

00:05:26:15 - 00:05:37:22
HOST
And so you kind of your understanding of this, like much bigger commercial real estate world really sort of came to the frame up in is that.

00:05:37:23 - 00:05:38:14
GUEST
How it.

00:05:38:16 - 00:05:43:03
HOST
How it kind of unlocked? And were you like, wow, this is insane.

00:05:43:05 - 00:06:00:05
GUEST
Yeah. So I so as I mentioned, the summer between my junior and my senior year, I interned there. So I spent half the summer working on the acquisition side of the business underwriting all different property types, and then the other half on the asset management side for their core plus fund and love the transaction nature of the business.

00:06:00:07 - 00:06:22:20
GUEST
Got a return offer to come back for the transactions role and did that for two and a half, two and a half, three years, underwriting $3.5 billion worth of transactions across property types, because I realized if I truly wanted to succeed in this business and who knows, maybe one day have my own portfolio or, you know, TBD on what that looked like at that point in time.

00:06:22:24 - 00:06:40:06
GUEST
I knew that at the very basics, you have to understand how you make a profit, how you lose money, how you can restructure things when they don't work well. And, and all of that was really something that I gained during that time. On the acquisitions part of the business.

00:06:40:08 - 00:06:45:07
HOST
At school or kind of like growing up to a university. What kind of kid were you?

00:06:45:09 - 00:07:05:18
GUEST
Well, probably because it's no surprise. It's a bit of a nerd. So I was student government president, in my community college that transitioned over when I went to UC Berkeley at the High School of Business. So I would say always pretty inquisitive. And I think I'm just naturally a curious person. So that's served me well thus.

00:07:05:18 - 00:07:16:23
HOST

Far and like, strong with maths and finance. And so that was like you had a really good basis and a financial acumen. So when you were underwriting this kind of real estate, you picked it up relatively quickly.

00:07:17:04 - 00:07:17:20
GUEST
Yes.

00:07:17:22 - 00:07:31:23
HOST
Yeah. And so you touched on the fact can you just you said you underwrite a lot of different types of real estate. What kind of real estate? What kind of risk return profiles were it? Was it, and the structures of it as well? Can you just kind of give us a bit of a, an overview?

00:07:31:23 - 00:07:57:22
GUEST
Yeah. So I think you highlighted it. Well, we were doing all sorts of deals. Retail, mixed use developments, logistics, repurposing, big master plan schemes where you're doing multiple phases, office repositioning. But about half of what we were doing was apartment development deals. And so that experience is what probably fascinated me the most. We started working on deals at that time.

00:07:57:22 - 00:08:15:19
GUEST
We were doing, a lot of joint ventures. That was primarily the model in the US, which I think in the UK that is or will be hopefully becoming more prevalent going forward. But a lot of those deals we bought at the peak of the cycle and then land prices started to decline and construction costs went up.

00:08:15:21 - 00:08:26:07
GUEST
And so we were then having to go back and restructure everything. So all sorts of deals, M&S preferred equity. I mean, we looked at it a lot.

00:08:26:09 - 00:08:34:12
HOST
What if someone is listening to this like what is mass? What is preferred access is obviously kind of alluding to different parts of the capital stack and how you can access real estate.

00:08:34:14 - 00:08:59:21
GUEST
Yeah. So, the easiest distinction and it hopefully holds true in the UK as well, but it's if you, it's effectively a higher capital stack as it relates to leverage. So typically if you take out a loan on a property, you'll have a senior loan, which if you default the keys go back to the senior lender. In the case of mezz, typically it's a bit more expensive and that layer is on top of it and you have further step in rights.

00:09:00:02 - 00:09:09:19
GUEST
And my understanding is preferred equity. You don't have the same stuff. And right, see what an amazing position. But it sits even on top of that stack. So yeah, we were looking at.

00:09:09:21 - 00:09:23:21
HOST
You like different ways you could you could access. Yeah. Access real estate. And were you looking at also the port at a portfolio level in terms of the balance of, the allocation to these different structures and, and types of deals or not?

00:09:24:00 - 00:09:47:04
GUEST
Not necessarily. So in terms of the structure, we more so we had, I don't know, 15 or so funds I think at that point in time. So we were out trying to, you know, hunt and gather for all those different capital sources, core funds, value add funds. But that was more so the fund managers discretion to figure out how do they want to comprise their portfolio and therefore change it over time, etc..

00:09:47:06 - 00:10:02:08
HOST
You would just do all sourcing and underwriting, and getting products through the door. So, at that stage you touched on it was the kind of the multifamily or the, the, the living or the residential part of the market that fascinated you. Why was that?

00:10:02:10 - 00:10:23:24
GUEST
So I think it's going back to my experience growing up, I mean, always fascinated with how things were built, being growing up on construction sites where I'm painting or, you know, helping my dad put up drywall or whatever that was. I was always fascinated by where people live. And the impact that you have on someone's home is so important to their overall well-being.

00:10:23:24 - 00:10:42:16
GUEST
I mean, you know, we spent so much time in Covid at home that that became such a refuge for people. But I think that was always just a passion of mine. That coupled with interior design and placemaking and building, you know, cities and places where people can occupy was just something I've been fixated on since I was a little kid.

00:10:42:18 - 00:11:02:14
HOST
Can you just tell me about the the differences between maybe the US living market and then the UK living market? I think it just be useful from a context perspective. Right. And I was I was going to delay that question. So maybe later. But it's very useful to kind of get that in now just so we can kind of maybe understand, you know, the, the playing field and, you know, the institutional landscape as well.

00:11:02:16 - 00:11:35:00
GUEST
Yeah, it's a good question. So the US market is much more established. Renting I think there has been much more prevalent for a longer period of time. And so I'm talking 20, 30, 40 years. It's really well established. There's lots of processes in place, there's data available, and it's relatively uniform. So there's a lot more sophistication in terms of what that market looks like, compared to the UK, which is a little bit earlier on in this journey, is just kind of adopting that mentality that it's okay to rent and you can rent by choice.

00:11:35:00 - 00:11:50:10
GUEST
And there's a lot of reasons you might choose to rent versus buy. And so it's really exciting to be coming in and being able to help see where it can get to as a sector and help along that journey. So hopefully that answers.

00:11:50:14 - 00:12:05:02
HOST
Yeah, very much so. This is like a much more mature institutional grade landscape over in the US. And, can you just tell me how did you like role evolve and how did you how did you progress your learnings through that early part of your career?

00:12:05:04 - 00:12:26:01
GUEST
Yeah. So after the first few years working on the investment or on the acquisition side, there was an opportunity that came up on the investment management side of the business, specifically working on residential. So Pru at the time was so large that it had a designated, team within their core funds that just did residential, which is what I was most interested in.

00:12:26:03 - 00:12:47:12
GUEST
And so, effectively raised my hand. And so that's something I'm really interested in. Right time, right place. The opportunity was to work on East Coast assets, and I was based in San Francisco, so it was really fascinating. I got to cover, for a short amount of time before they rejigger the portfolio assets in New York, new Jersey, Chicago.

00:12:47:12 - 00:13:07:06
GUEST
I mean, I was all over the US from a geographic perspective. But really love the investment management side of the business because it, it gave me an opportunity to actually live out the life cycle of an asset, because when you're working on acquisitions, it's a number on a spreadsheet, but you don't really know unless you've actually owned something or worked on it.

00:13:07:06 - 00:13:26:21
GUEST
What that number is actually meaning. How much payroll do you need? How much room costs do you need to allocate for? How do you actually execute on the business plan? And so that was really exciting to be able to to take that underwriting, go execute on it. And I kind of found my calling in that nature. Fast forward.

00:13:26:21 - 00:13:49:15
GUEST
So I was there for a few more years in that capacity, covering stuff all over, still all over the country. But more so on the West Coast at that point in time. And my former boss at Invesco, I met through Aranda, or someone that I had previously worked with effectively. But at a random encounter and we had a, you know, coffee shop meeting he was looking to hire.

00:13:49:15 - 00:14:14:15
GUEST
I wasn't looking to move. 30 minutes turned into 2.5 hours. I left with a job offer. And that kind of was the catalyst to me making the transition over, to Invesco. And at that point in time, the the gentleman that I worked for was running the US residential sector based out of San Francisco. And so that for me was really incredible because I had the opportunity to learn from him day in and day out.

00:14:14:17 - 00:14:26:21
GUEST
How do you build a platform? How do you how do you make these decisions at such a high strategic level and roll out, initiatives across the business in a pan US capacity, if you will?

00:14:27:02 - 00:14:33:13
HOST
So just before we get onto that part, you just rewinding a little bit, you said you moved into an investment management role at a core fund.

00:14:33:13 - 00:14:34:05
GUEST
Yes.

00:14:34:05 - 00:14:57:23
HOST
So yeah. Was that, just into the terminology perspective, was that what we would call asset management or a portfolio management role over here? Okay. Like looking after course standing income producing that much needs some asset management work. Is that is that how and what you were looking at. So you've done your transactions piece and then you kind of gained experience from an asset or a portfolio management perspective.

00:14:58:00 - 00:15:30:15
GUEST
Yeah. So so very much an asset management role. But interestingly enough I mean the core fund was so big that it had a $2 billion non-core sleeve. And so most of that was occupied by apartment development deals. And so about half of what I was working on was assets from the start of you're going through a pre entitlement process with the JV partner to assets that were currently shovel in the ground building value our deals where we've owned them for 30 years, but we're now needing to re essentially reinvest into those assets.

00:15:30:15 - 00:15:38:08
GUEST
So it really touched everything in between for being a core fund. It felt in many ways like value add type work, which is really fascinating.

00:15:38:10 - 00:15:42:07
HOST
And what were the core hurdles of the return profile.

00:15:42:09 - 00:15:54:24
GUEST
So so the fund structure, I believe, and I may be misquoted on this, but somewhere between, I think a six and an 8% unlevered IRR, which is probably akin to a typical core function value.

00:15:54:24 - 00:16:12:02
HOST
I just I'm just trying to break it down to say someone listening to this is trying to get their head around a core fund and what return profile thereafter and then a value add piece, because it must have been a massive core fund. If you had 2 billion worth of, core capital allocated to like more value add or opportunistic development type deals.

00:16:12:02 - 00:16:29:06
GUEST
Yeah, big fund 22 some odd billion. So that gives you a sense 1,015% non-core weighting. For value add somewhere between a 15 to 20% levered IRR is what we were targeting. So similar to probably what you'd expect in a normal value add strategy.

00:16:29:07 - 00:16:50:02
HOST
So the fund manager would be call me up and saying like to hit our total core return based on the portfolio, the dynamics we have, we need £2 billion to be allocated just a small chunk of change to to more value added and, development type deals. And you were responsible for still underwriting, doing transactions, but also managing standing physical stock.

00:16:50:02 - 00:16:53:23
HOST
That was left and operationally running as part of your role as well.

00:16:54:00 - 00:17:13:20
GUEST
So not so much on the transactions piece, although part of the function was to look at if a new deal was going through investment committee to make sure that we could actually execute on the business plan. But a bit of a different hat. So looking at can we execute are these numbers right versus, you know, overseeing the model and the underwriting at that point?

00:17:13:22 - 00:17:22:06
HOST
How just in terms of like size and scale, how many units were you kind of talking about a lot.

00:17:22:08 - 00:17:25:23
GUEST
Thousands. So probably five, 6000.

00:17:26:04 - 00:17:27:16
HOST
And 81 deal.

00:17:27:18 - 00:17:41:11
GUEST
No. Total in aggregate. So, yeah, I mean, I think at the probably at the peak of what I was working on, probably about 15 to 20 assets and each one has several hundred. The largest had, just over a thousand.

00:17:41:13 - 00:17:48:01
HOST
And these are big tower blocks like vertical blocks mainly. Or are they kind of lateral developments as well.

00:17:48:07 - 00:18:16:05
GUEST
So both depending on the market. So in Denver garden style, which is like your typical three story wood frame build up where you enter every unit from the outside, there’s no shared corridor space, a podium product, which I don’t know what that would be equivalent to here. But concrete frame construction but more low rise is 6 or 7 story buildings, and then a lot of high rise towers because you get much more efficiency, built cost, etc. if you stack if you can.

00:18:16:11 - 00:18:31:05
HOST
So you had like the depth and breadth of experience across lots of different product types, different geographies, locations, transactions, investment management, some asset management work. So you kind of you must have been running a million miles an hour to get that much experience in only a few years.

00:18:31:08 - 00:18:38:16
GUEST
Yeah. Effectively. And it hasn’t stopped. So it’s I think I think I have a one speed operator, mode.

00:18:38:22 - 00:18:41:19
HOST
To for content. Like, what kind of hours were you? Pollock.

00:18:41:21 - 00:18:58:21

GUEST
Yeah, I mean, it varies. So the US is obviously quite different in terms of the amount of hours that by and large, people work in general. I would say during the transactions phase, it could be 60, it could be 70, it could be 80 a week, depending on how many deals you have going on. So pretty full on.

00:18:58:23 - 00:19:18:17
GUEST
So you, you get years of experience cram down because you're working twice as much. When I pivoted over onto the asset management or investment side of the business, I would say a little bit last but not, I would say maybe average. Somewhere around 60 or so would probably pretty normal for me at that point in time.

00:19:18:19 - 00:19:32:05
HOST
And did you want and you, you wanted to seek that asset management experience. Did you what, just because you thought they didn't make you a better investment professional, having sat on the other side of the not the other side of the table, but having seen the next part of the process. Right?

00:19:32:07 - 00:19:51:13
GUEST
Very much so. Because one day I wanted to be able to actually invest for myself. So I thought I know how to underwrite a deal, but how do you actually execute on the rest of it? And can I slowly start to build all these pieces so that if one day I wanted to do that, I could, and and that effectively proved itself out, which has been exciting.

00:19:51:14 - 00:20:07:15
HOST
So a chance meeting with your now old boss in America. Yeah. And half an hour turned into a couple of hours, which turned into a to a job offer. So why why did you decide to leave PJ? But what was the role that you were going off to go and do?

00:20:07:17 - 00:20:28:06
GUEST
Yeah, I mean, it really was a function of him. He was the reason that I moved just the ability to work for the head of a platform of that scale in the same office. I think that was one of the things I was I was thinking about my own career trajectory in wanting to one day proceed in, in a role like his at some point.

00:20:28:08 - 00:20:46:24
GUEST
The leadership in terms of that more senior positioning was in new Jersey. And so that makes it hard from a visibility perspective and just being able to learn about how they think about setting up a business, a team, all the different parts that that run an asset management platform. It's hard when you're doing it via teams or Zoom calls.

00:20:47:01 - 00:20:59:22
GUEST
So it really was being able to learn from him. So at that point it was a lateral move. But I thought I can't solve for the learning that I'm going to get by just working with him. And that certainly proved itself true.

00:20:59:22 - 00:21:09:05
HOST
And so you were like one of the first in to in terms of like establishing this or what were you going on to, to like, actually do.

00:21:09:11 - 00:21:41:24

GUEST
Yeah. So definitely not the first. They, I mean, Invesco has been around for 40 years, so they, they had had a well-established operation at that point in time, but it was to essentially manage a portfolio of assets in Northern California, Portland and Seattle. So primarily the West Coast, which is really exciting and, and full autonomy to basically say, here's the portfolio, solve all the issues, drive as much value creation as you can for our investors, and then let's see what other broader initiatives you can roll out at a kind of platform level, which which was great.

00:21:42:00 - 00:21:46:04
HOST
And the platform level is more what operational granular level?

00:21:46:06 - 00:21:51:01
GUEST
More more, akin to pan.

00:21:51:03 - 00:21:52:00
HOST
Multi-jurisdictional.

00:21:52:06 - 00:22:17:04
GUEST
So yeah. So, so some of the things we were doing at that point in time, we were rolling out, rent insurance programs. We were rolling out, it was during Covid. So there were all sorts of things that we were doing with lease addendums as it related to if you lose your job, you know, here's here's what you should know, that we will basically support you and allow you to get out of your lease if you provide paperwork, etc..

00:22:17:04 - 00:22:26:08
GUEST
I mean, there were so many different things going on at that point in time. So it's really fascinating to be able to sit there and and help, establish some of those goals is.

00:22:26:08 - 00:22:44:24
HOST
Taking them on an asset basis and then roll it out across the whole portfolio. Just to make it standardize more efficient. In terms of like the product was the actual products similar to the kind of product that you'd worked on before and did it or did it have like a different identity, or was it targeting a different segment or occupier or customer?

00:22:45:00 - 00:23:10:17
GUEST
Yeah, very similar to the one nuance. Well, two nuances, would be we started to work on some affordable products. I'd never I'd never really worked on that where the entire business model was surrounding taking an asset. Essentially essentially putting some sort of regulatory agreement in place where you're able to, capture some tax relief. And so that was an interesting model that point in time.

00:23:10:21 - 00:23:31:05
GUEST
So that was something I hadn't been exposed to in that capacity before. And then something else, which was really exciting, albeit I didn't get a chance to necessarily work on it, but I learned from just osmosis and others talking about it was single family housing, so we were one of the first kind of big movers into that space back, a couple of years ago now.

00:23:31:05 - 00:23:34:02
GUEST

So that was just a great opportunity.

00:23:34:04 - 00:23:38:09
HOST
So what is the difference between multifamily housing and single family housing?

00:23:38:11 - 00:24:11:10
GUEST
So multifamily housing effectively, is more than one occupier in the space. So it’s akin to a BTR scheme in the UK. And single family is literally buying an actual individual dwelling or townhomes in some cases where they’re all right next to each other for the purpose of individual families living there. The interesting thing is that those assets are tend to be stickier, because if you’re a family and you have kids and you have all your belongings, you you tend to stay in the space a bit longer if it feels like yours than if you’re in a smaller unit.

00:24:11:10 - 00:24:28:20
GUEST
That was purpose designed to rent. So we just getting into that space in quite a big way in the US at that point in time, which was exciting. And we haven’t yet gotten into it here, but we have looked so we’ve looked at a lot of deals this year and just have gotten outpaced for one reason or another.

00:24:28:22 - 00:24:49:07
HOST
So, yeah, first kind of move or looking at single family over in the US. And is there often an evolution of people going into multifamily and then, you know, moving to single family later at a particular age or stage, or are there slightly different demographic arcs that that occupy either multifamily or single family?

00:24:49:09 - 00:25:12:12
GUEST
I wish I could answer that question with more, more data points. From what I’ve gathered, from just listening to some of the internal conversations, I think part of it is a natural life cycle. So when you start to have kids, it tends to be moving for reasons to be closer to family. So it is a little bit in some cases of an older demographic, but it’s not so old is senior living.

00:25:12:12 - 00:25:21:22
GUEST
It’s kind of the sweet spot in between being able to potentially buy something, but that that’s my understanding of broad brush strokes, how it works in the U.S.

00:25:21:22 - 00:25:36:11
HOST
So in the UK, we’re obviously a nation fixated with home ownership and getting on the property ladder. I think that’s obviously changing, given, maybe the struggle or the difficulties of being able to to do that. Is that the same over in the US?

00:25:36:13 - 00:25:57:06
GUEST
So it’s a little bit different. I would say the two kind of big things is one, it’s a bit easier to move to different states in the US. So here I would say the opportunity cost every time you move is more, it is higher effectively because you pay stamp duty. So in the US that concept doesn’t necessarily apply.

00:25:57:12 - 00:26:18:07
GUEST
You’re able to buy and transact a bit more freely and here it could be up to 5%. So I think that sentiment is quite different. And I think just the mentality, culturally people are much more open and receptive to

moving different states for different job opportunities. So I think the combination of both of those makes it a little different here.

00:26:18:09 - 00:26:32:24
HOST
So, told me that because you, you would investigate for a couple of years what, you know, rising to to a director over in the US, what were you responsible for doing day to day there before you moved over to the UK?

00:26:33:01 - 00:26:59:04
GUEST
So essentially managing a portfolio of assets, totaling a couple billion in value and making sure that that we're delivering on behalf of the the investment thesis. So managing renovation programs, managing, development deals, overseeing all the relationships with operators, restructuring deals when they needed to be, a lot of legal issues that come up with tenants or random things at at points in time, construction issues.

00:26:59:04 - 00:27:20:14
GUEST
I mean, there's so many different hats that we wear, and also the valuations. So every quarter all of our assets are valued, which is how we generate fees as a business as part of that valuation. So trying to standardize that process. So, so many different hats on, if you will. You're kind of like the the conductor of 20 or 30 little businesses.

00:27:20:14 - 00:27:23:07
GUEST
And each building is one of those, which is exciting.

00:27:23:13 - 00:27:36:01
HOST
Talk to me just about, the capital and how what type of capital is investing in, in this real estate. And also how how long term is that capital in terms of its mindset too?

00:27:36:03 - 00:28:00:02
GUEST
So we have lots of different buckets of capital, which should not surprise you. Everything from value add funds where the life cycles typically 5 to 7 years and higher risk, higher return 1517 IRR, so to speak. We also have core funds. So we have a big core fund that's similar to our US core fund. But a lot of the investors are big pension funds.

00:28:00:02 - 00:28:27:01
GUEST
So if you think about a pension fund that at some point in time has to pay out a certain amount of fixed money at the end of someone's career, well, that money has to sit and grow for 30 years. As someone, you know, projects out, to the point of retirement. And so they invest in that pie chart a certain percent into residential or, into real estate, so to speak, and then the rest stocks, bonds and all the other typical asset classes.

00:28:27:03 - 00:28:39:11
GUEST
So we take that money on behalf of big pension funds and, and other investors, so to speak, and go invest in real estate on their behalf. So depending on the structure, the life cycle really differs.

00:28:39:13 - 00:28:47:14
HOST

And why why did you move or want to move over to to the UK and how did that kind of opportunity come about?

00:28:47:16 - 00:29:09:07
GUEST
So it’s really for personal reasons. I visited London in 2016 and if you can fall in love with the place, I fell in love with London as soon as I got off and saw Big Ben and was like, oh my goodness, this place is incredible. Just the history, the culture. Being in a place that is probably, I would argue, one of the most cosmopolitan cities in the world.

00:29:09:09 - 00:29:33:01
GUEST
And and getting to expand my horizons. I lived 25mi² my entire life. And so wanting to grow as a person and really, London seemed like the perfect place because I don't speak any other languages outside of English. So, although English, British English is a bit different than American English, as I've discovered this year. But it really was, was for that.

00:29:33:03 - 00:29:45:20
HOST
So how did that transition internally kind of come about? And was it relatively straightforward because, you know, I'm assuming you don't have a British passport or, you know, there's like visas and things to try and like navigate. How did that happen.

00:29:45:22 - 00:30:07:20
GUEST
Yeah. So it didn't just show up on my doorstep. If that's what you're asking. Essentially I woke up in January of 2022 and I thought, okay, I've had this dream since I visited in 2016, and I thought about getting a graduate degree or trying to figure out a way to effectively get to London. And I, I thought the opportunity cost was too big at that point.

00:30:07:20 - 00:30:36:10
GUEST
I was doing the job that I wanted to be doing. I knew I was in the right industry for me and I essentially said, okay, well, let me see if there is an opportunity internally that would be the easiest place to start. And so I sat down with my boss in January and I said, hey, I know this is a bold thing to say, but I'm going to I'm putting it out there, all my cards basically saying, I want to move to London this year and I'm going to figure out how to make this happen.

00:30:36:10 - 00:30:56:02
GUEST
So I'm giving you 12 months notice. But I really hope that we can figure out if there is an option internally. And he said, hold on, we can figure something out. Don't look, let me let's have some conversations and see if there is an option where global company, you know, there certainly must be a case for for being able to do this.

00:30:56:04 - 00:31:23:02
GUEST
Fast forward. I ended up sitting down with our, our US CEO, our US CEO, our European CEO, and basically kind of got the green light all the way through. And what I didn't know at that point in time is I didn't know the, the kind of more, nascent sector, that real estate that the residential real estate sector was in the UK at that point.

00:31:23:04 - 00:31:38:10
GUEST
So my skillset was actually more valuable here than it was in the US in terms of the knowledge that I

could bring, because I knew how the systems were set up and the structure, and I'd seen so much, so kind of right place, right time, to be honest.

00:31:38:12 - 00:31:42:02
HOST
Is that the same boss that you had the first half hour chat with?

00:31:42:04 - 00:31:42:23
GUEST
Yes, it was.

00:31:42:23 - 00:32:07:10
HOST
The same boss. So you had a really good relationship with this guy. I guess you're still super nervous in terms of how how it was going to go and if it was even going to be a possibility. But you managed to move over and internally transfer and as you, as you've kind of touched on part of the the allure or, the why they wanted you to do that so you could take the learnings from a more mature US market and apply them to, to more nascent early stage, UK and European market.

00:32:07:12 - 00:32:10:13
HOST
So you moved over in September 22nd?

00:32:10:19 - 00:32:11:08
GUEST
Yep.

00:32:11:10 - 00:32:22:15
HOST
And what? Yeah. What were you moving to? What was the size of the market? What was the role? What was the team? You know, I'm sure you didn't have a £22 billion fund. You plug straight, straight into the here.

00:32:22:17 - 00:32:48:07
GUEST
No. But we did. I mean, we had some significant about in terms of what we were working on. Invesco was one of the early movers in the build to rent space. I think we had our first deal in 2013, if I'm not mistaken. And so we had had a pretty good track record of, of deals. So when I stepped over, we've got a UK ready fund, which is, 700 million, I think, in size.

00:32:48:09 - 00:33:13:02
GUEST
We've got a US separate client account that has a big mandate here in the UK, so there is a pretty good chunk of assets to work on. And then there is a portfolio in the Nordics. So some of our, high returning strategies and some other funds have a series of assets there. So I want to say by order of magnitude, probably over about 2000 units, and probably over about a billion.

00:33:13:02 - 00:33:41:02
GUEST
And in value, if you add up all the assets together. Yeah. So it was a really interesting portfolio. Quite a lot to think into right away because even though some of the principles apply, so much of the strategy here hasn't evolved in the same capacity as it has in the US. So trying to understand the lease terms and how rent growth is rolled out or not, or just all the little nuances of planning, building, safety, acting.

00:33:41:02 - 00:33:55:12

GUEST
There's so many things here that are, specific to the UK. So it took a bit of time to really dig in and figure out what do we have, and then how do we best optimize the portfolio based on that? So.

00:33:55:14 - 00:34:05:01
HOST
And is your and is your role more kind of asset management orientated and focused, or is it more transactions in investment and getting money out of the door and finding you? You get to go by.

00:34:05:02 - 00:34:25:04
GUEST
Much more asset management related. So I will always love the transaction side of the business, but I think my skill set is is probably more so on executing at this point. So, working together with the acquisitions folks to say, yeah, this deal makes sense, we can execute on that or providing input on the business plan. But I love actually being able to deliver something.

00:34:25:04 - 00:34:33:19
GUEST
And a building doesn't exist and now it exists. And here's how it's performing, hopefully better than the business plan. But that's primarily what I'm doing today.

00:34:33:21 - 00:34:48:01
HOST
And overhead is Invesco operate the assets as well as invest in them. Or have you got separate operating companies that you oversee and manage, whether that's you own? And they're separately branded or is it a third party, that you work with.

00:34:48:03 - 00:35:16:06
GUEST
So it's a third party, which is the exact same structure that we have in the US. And I realize it's a bit atypical here to have that, but I actually think it's a competitive advantage because if you have alignment from operators or if things don't go well, you can change them out if you need to. But I think it gives a unique advantage in the sense that you can get the perspective of multiple operators, which is the benefit of of how we have it set up in the US where we have six, seven, eight.

00:35:16:06 - 00:35:25:24
GUEST
I don't know, there's probably even more than that that we partner with. But you take the best bits of all of them and then you try and roll them out across the board, which is what currently we're working on now.

00:35:25:24 - 00:35:38:20
HOST
Rather than just having like own operate your own, business. It's much harder to to translate out or swap in if they're not performing or to the levels or if someone is better. Right? Is that that's basically what you're saying.

00:35:38:20 - 00:36:00:11
GUEST
Yeah. I think it gives it just gives more optionality, if that makes sense. So and it allows you to scale up or down as you buy or sell assets. If you if you have a platform vertically integrated and you sell assets, it becomes a little harder to make financial sense of that. Conversely, it could be the reverse if you're buying and buying and buying.

00:36:00:12 - 00:36:20:14
HOST

Do you do you still retain the ability to get access to data and, yes, through those operating partners as well as, you know, those businesses that I talk to who might have their own operator, you know, they love the fact they can get all the data that their fingertips. I'm assuming, you know, you can still get access even though it's not your platform, right?

00:36:20:16 - 00:36:41:13
GUEST
Yeah, it's probably not as granular. I mean, GDPR, we can't get all the names of, you know, individuals, etc., which we wouldn't want anyway. But we we're able to kind of get the basic data that we need. And what we're doing internally is we've created this year our own benchmark. So we've said, here's all the things that we should be looking at to operate these assets at peak performance.

00:36:41:15 - 00:36:53:04
GUEST
We can create these tools internally if we have these inputs. And so we're still doing that, that value add piece of it without owning all the data ourselves, if that makes sense.

00:36:53:06 - 00:37:03:08
HOST
In terms of like the product itself, how what what kind of product is in super high demand right now in the UK and and across Europe.

00:37:03:10 - 00:37:24:19
GUEST
In terms of product? Well, I mean built around is very popular is, you know, I think outside of of that space, a lot of life science deals that are going on, a lot of logistics that shouldn't come to any surprise given where we are in the market. Those are probably the the favorite food groups, if you will, of the season.

00:37:24:21 - 00:37:48:14
GUEST
I think single family rental is taking off this year. I know there's been a lot of deals that have transacted. And in that front. Yeah. But that one's not as far along as the build trend sector in terms of life cycle. Yeah. But I think that will change over time. As you know, people's ability to, to afford the stamp duty declines.

00:37:48:14 - 00:37:51:17
GUEST
It becomes a much more compelling offer for people.

00:37:51:19 - 00:38:14:21
HOST
And where whereas, you know, the actual physical build to rent product that who who's taking space in these, in these assets like is how do you segment your customer base? And are they kind of like more five star, super rich, amenity driven assets or is it more kind of affordable? Yet low amenity, driven products?

00:38:14:21 - 00:38:17:06
HOST
Like what? What's in demand from that perspective?

00:38:17:08 - 00:38:41:14
GUEST
It's a very good question. So it's in the middle, some a little bit higher than others, but it really depends on the market. I think if I've learned anything from some of the challenges witnessed in Covid and in terms of

performance across not only assets that we own, but just talking to peers, in the sector, it's that the assets that were hit the hardest are the ones that are trying to achieve the very top of the market rents.

00:38:41:16 - 00:39:08:04
GUEST
And so strategically, I think we're not necessarily trying to be that we're trying to, to kind of cater to, a bit more of a broader population, if that makes sense. So the will always have some amenities. Some of our buildings have none in certain markets. You just don't need them. And in others you definitely do because now it's, it's the, the amenities race has begun, if you will.

00:39:08:04 - 00:39:11:23
GUEST
Where if you don't put it in, it'll be antiquated in ten years time.

00:39:12:00 - 00:39:21:18
HOST
So from a country or a location, geographic perspective, what are the nuances that you're seeing between, between the different geographies at the moment?

00:39:21:24 - 00:39:46:09
GUEST
So it's really fascinating. So the UK in, in many ways has emulated some of the parts of the US multifamily model or build to rent model, if you will, where they've got amenities, you've got a higher level of service offering concierge security. And it's much more you're paying for an elevated level of service in other markets. In Europe it's a bit different.

00:39:46:09 - 00:40:05:11
GUEST
So I'm still getting my arms around how each individual country works. And we're not in all of them today. And, but it's been fascinating to see in some markets, for example, in Germany, you stay in your unit for 20 years and you build your own kitchen. So when you get a unit, it comes empty shell and core.

00:40:05:13 - 00:40:25:17
GUEST
In other markets, like the Nordics, for example, you put in your own light fixtures. So all you have is a little box on the ceiling. I mean, it's really fascinating when you start to look at how how each market operates differently and there's almost no amenities there. Every unit broadly looks the same. And the lease terms, there's indexation in those markets.

00:40:25:17 - 00:40:55:14
GUEST
So some markets have indexation or fixed, rent increases linked to NPI or whatever their national inflation rate is. We don't have that necessarily here in the UK. I know we have it in, in some other places. Ireland essentially, but that has been a really interesting nuance. I've recently begun to work on, our, our first build to rent project in Milan, which is the first real market rate build to rent property in all of Milan.

00:40:55:14 - 00:41:16:05
GUEST
It's 656 units. And there we are creating the market. So it's really interesting because we're trying to figure out, well, how much amenity should we have, and do we furnish the units or do we not furnish them. And what I'm also learning is furnished there doesn't mean the same thing than it does here in terms of, you know, a couch, a table and chairs.

00:41:16:11 - 00:41:37:09
GUEST

It means building out the kitchen and the bathroom with the fixtures and then the layer above that. Do you actually put it in the funny? So there's it's really interesting to be able to, to try and make the decision of where do we want to set this? Because the rest will then follow suit. So you don't want to set it too high and you want to make it attractive as an offering.

00:41:37:11 - 00:41:39:19
GUEST
So they're very different.

00:41:39:21 - 00:41:47:12
HOST
But you also don't want to get it wrong. 600 units, and 600 couches at just a very granular level like this could be a big swing in your underwrite, right?

00:41:47:13 - 00:42:14:12
GUEST
Correct. Yeah. So we're spending a lot of time with the local team to try and partner and figure out how do we how do we create this market and targeted demographic and figure out the service charge piece of it, which is an element there that doesn't necessarily apply in the UK. So there's so many layers in each market, which I find a fascinating learning opportunity to see what works, what doesn't, and then try and build off of that.

00:42:14:17 - 00:42:37:18
HOST
Who are you guys typically compete against for these sites? Is it other BTR investors? Is it student accommodation investors? Is it co-living investors or is is is the kind of the the sorry the industry in the sector or like merging in into one. And actually there's there's a home for each part or each niche within niche on a particular site.

00:42:37:20 - 00:42:57:07
GUEST
I think as a sector it's still finding its footing a little bit. So there's still there's still very much a space for each of the niches that you described in certain markets. Co-living makes sense because you want smaller units because that's what people can afford, and they'll pay a premium to be in a great location, so long as they're just able to be there and they have good amenities.

00:42:57:09 - 00:43:16:09
GUEST
But in terms of who are competing with it, it tends to be, very deal specific. So hard for me to to generalize on that. But but the I would say typically it's, it's the large other institutions that have capital to deploy for, for BTR product, which is very popular these days.

00:43:16:11 - 00:43:29:05
HOST
Where's the where's more demand. Is it the is it the capital looking to access the space, or is it the demand from users to live in these types of products, like where on the scales is it tipped right now?

00:43:29:07 - 00:43:52:14
GUEST
Definitely more tipped from the demand perspective. So it's it's been a tough year from a capital point of view. I think broadly as you see yields move out and what's happening with global markets. There is so much demand. We are so undersupplied as a market to the tune of a couple hundred thousand units in the UK. And that same figure, if not doubles or triples in other markets in Europe.

00:43:52:14 - 00:44:01:17

GUEST
And so there is a huge pull to build it. The challenge is just having enough capital to deploy to meet that demand.

00:44:01:19 - 00:44:22:21
HOST
We touch a lot on like new build and new purpose built, multifamily accommodation. Is there a repurposing play or a redevelopment play of maybe old or historic assets or, buildings that were maybe before their time that maybe weren't as amenity rich, that, you know, there's just an angle there to, to get them up to speed.

00:44:22:23 - 00:44:51:16
GUEST
Absolutely. Yes. Inevitably there will be kind of brown to green opportunities, so to speak, where you can take an office building and you repurpose it into residential. It's challenging because you have to deal with the light aspects and, and make sure you're getting certain things right, because they were designed with other purposes. But absolutely, I do think that there will be, at some point, opportunity to reposition assets that may no longer have a purpose in their current configuration.

00:44:51:18 - 00:45:00:14
HOST
And would that be under the same fund structure that just depending on the market and the capital and, the return profile in the equity that's looking to access it?

00:45:00:18 - 00:45:27:01
GUEST
Probably more of the latter. So, I mean, there's been all sorts of opportunities that we've looked at this year, whether it's single family, rentals, which we've looked at, a lot of PSA buildings, not so much on the co-living space, but but there are opportunities that we're starting to see in that sector. I think it's just a function of does the pricing make sense, and do we have the right bucket of capital at that point in time, to need it.

00:45:27:03 - 00:45:41:21
HOST
Outside of the US? Are there any other markets internationally that you look to for inspiration, or you look to kind of gain an edge on how they do things? Is Australia further ahead on the journey, or is it or is it literally just the US and that market?

00:45:41:21 - 00:46:04:22
GUEST
It's the it's the US. I think Australia is a little further from my understanding. I've never been but I think it's further behind yet. In the, in the BTR space. And I don't know about the rest of, of Asia in terms of how, how they've set up, their kind of akin asset. But I would say mainly from the US.

00:46:04:22 - 00:46:18:13
GUEST
I mean, it's the US is massive in size and scale, hundreds of thousands of units, probably millions of units. So there's been a lot to leverage from that, which is has started to make its way here, which is exciting.

00:46:18:15 - 00:46:34:04
HOST
So can you just tell me about the Invesco? Kind of like real estate, residential side of the business in terms of, like, the structure, the team there, and you've kind of touched on the fund sizes already, but just in terms of, yeah, maybe the size of that and the plans for for the future as well.

00:46:34:06 - 00:47:04:00
GUEST
Yes. So it's ever evolving. So who knows, maybe by the time this comes out, it'll be different. Hard, hard to say. But I would say in terms of the team structure, we are split by country. So we've got a team that focuses on the UK and the Nordics, which is the team that I sit in. We are structured under effectively an investment umbrella, where we have half the team that does more transactions, acquisitions work and the other half does the investment management, asset management type function.

00:47:04:02 - 00:47:31:08
GUEST
And the idea was to bring them together to actually deliver in lockstep the best results. And I think we've seen that work quite well. And so there's basically versions of that all over Europe. We've got eight offices. So, in terms of asset managers, we probably have somewhere around 2030 or so. I'm hoping that butchering that number, but the idea is to just grow naturally as, as we're able to raise more capital and grow our funds.

00:47:31:10 - 00:47:41:03
HOST
Yeah, that makes complete sense. And in terms of access in the market, are you forward funding or is it for commit or how how do you actually, you know, buy or access.

00:47:41:03 - 00:47:41:10
GUEST
Yeah.

00:47:41:11 - 00:47:51:09
HOST
Access the market. We can you tell me what those mean as well or tell those, people listening who might not know what those terms are like, the nuances and the difference between them and how it works.

00:47:51:09 - 00:48:11:02
GUEST
Yep. So there's many different structures. The forward funding that you've referenced is basically pre agreeing upon a price upon a delivery date of the asset. So the developer who takes on all the risk of planning and delivering says when I complete it, you will buy it on this date for this price. So the risk in that is that the market moves out one way or the other.

00:48:11:02 - 00:48:29:10
GUEST
Sometimes you benefit, sometimes you don't forward funding. In my understanding, because this was a little bit of a newer one for me based on on the way deals are structured in the US. But it has an element of a fixed profit, built in for the developer, and you're basically helping fund that over that point in time.

00:48:29:14 - 00:48:52:22
GUEST
And then at the end of it, you buy the asset. For, for somewhat of a set price, but you're a little bit longer in that journey with them. And then a joint venture structure, which is probably my favorite structure, which, comes as no surprise. Is when essentially one group is the developer and takes on all the execution risk of building on time, on budget.

00:48:52:24 - 00:49:19:18
GUEST
According to the specs in the plans. And then the other group is the funder. And so you share in that relationship. And because we're doing the funding of that, there is what's called a promote structure, where the developer gets an outsized amount of, equity out of the deal they put in, I don't know,

somewhere between five, 10% for a co-investment, and they can make 20, 30% in terms of the IRR at the end if they hit it.

00:49:19:18 - 00:49:44:07
GUEST
Right. And so it really motivates them to deliver on time under budget. You're much more I think joined, which is great. And they they're very much aligned to deliver the best product. So unit mix units are going to sell versus just the densification of properties where you're building as many units as possible. But they're going to be quite difficult.

00:49:44:08 - 00:50:05:08
GUEST
And it may not be them that's ultimately doing the leasing at the end of the day, because they already have a price that will be gone. And then wholly owned deals where you are the developer. We have one instance of that, which, has been really interesting to work on. So we're, we're actually taking on all of the risk and acting in that capacity.

00:50:05:08 - 00:50:25:18
GUEST
So there's so many different types of structures. To answer your original question, which was what are we seeing and what types of deals are we doing? I would say we're still seeing a lot of forward funding deals, some joint venture deals. And I think broadly, the hope is that as an industry, we shift more towards that JV model.

00:50:25:18 - 00:50:34:20
GUEST
That was my hope. I know probably others would, agree with that if they're on the other side of the table. But that's ideally what we're hoping to try and build out going forward.

00:50:34:23 - 00:50:39:18
HOST
How do you work out which partner from a JV perspective to get into bed? Literally.

00:50:39:18 - 00:51:13:04
GUEST
Yeah, it's a really good question. I mean, it takes a lot of due diligence because the key risk on that is that you are married effectively on a deal for the better part of five, six, seven years, depending on that life cycle. So we very thoroughly vet the partners that we do deals with. The deal that we've done within our, a developer here in the UK, we went through six months of due diligence talking with past partners, operators, I mean, really understanding how are they when things go wrong because they never we always do something happens.

00:51:13:06 - 00:51:35:13
GUEST
Are they going to be there to problem solve with you, or are they going to be, a little bit more, you know, confrontational about it? So it's quite a thorough process, but I can't articulate how important that is enough. And and having a good contractor and a good GC is probably one of the most pieces because there.

00:51:35:15 - 00:51:37:07
HOST
Well go ahead. No no no. Go go.

00:51:37:11 - 00:51:40:08
GUEST

Go. If you get that wrong, it's really difficult.

00:51:40:10 - 00:51:45:09
HOST
It's they cut they cover. You having a good GC general counsel. That's not what you mean.

00:51:45:14 - 00:51:46:15
GUEST
General contractor.

00:51:46:15 - 00:51:47:22
HOST
General contractor. Yeah.

00:51:47:22 - 00:51:49:05
GUEST
No you need good. You need to.

00:51:49:05 - 00:52:07:19
HOST
Get GC general counsel from a legal perspective over the contractor and then and then subcontractor as well. Right. Yes. So as we look to kind of draw this to a change, a close sorry, what are you like most, excited about as we kind of open the door to 24.

00:52:07:21 - 00:52:29:07
GUEST
Most excited for 24. Honestly, most excited to keep delivering on on the A6. I mean, we've made a lot of progress this year as it relates to, restructuring how how we operate as, as a country here in the UK, in the Nordics in terms of managing assets. But now actually getting to live out that change next year.

00:52:29:07 - 00:52:43:06
GUEST
I'm pretty excited about, and helping just the business in general try and develop, you know, solutions to being able to visualize our data and actually make meaningful insights out of it for me is exciting.

00:52:43:08 - 00:52:56:14
HOST
What, what are the biggest hurdles that, investors LPs people are wanting to access to space, have to kind of get their head around or get over to be able to be a really good investor in the living space.

00:52:56:16 - 00:53:16:17
GUEST
It's not an overnight in and out. I think because it's so stable, you have to have conviction that you're going to be in an asset or a deal or a fund for 4 or 5 years, and it may take some time for that investment to to see the benefit of that. But therefore you're going to get rewarded at the end of it.

00:53:16:17 - 00:53:33:12
GUEST
So I think it's, it's more so a mindset of knowing, even though in theory it's liquid because you can buy and sell. It's not like the stock market where you can do that at any moment's notice. And so just having that mindset of, of wanting something that's more durable in the long term.

00:53:33:14 - 00:53:44:24
HOST
So as we, as we kind of drew to a close, a question that I ask everyone that comes on the podcast is, if I

gave you 500 million pounds worth of equity, who are the people? What property and which place would you look to deploy and capital?

00:53:45:00 - 00:53:46:11
GUEST
Is this my own capital?

00:53:46:11 - 00:53:47:16
HOST
It's your own cash. Okay.

00:53:47:19 - 00:54:21:15
GUEST
Oh, wow. I would invest probably half of it in the UK. And I would do it. No surprise in the residential sector. So I would, I would probably put 30% in single family in some capacity in the rest in, in BTR. And then I would almost reverse that in the US. So the other 50%, I would have the majority of that in single family there because I believe long term that that will holds, more resilient in time.

00:54:21:17 - 00:54:25:15
GUEST
And then the remaining 30 or so in built rent.

00:54:25:17 - 00:54:38:08
HOST
And in terms of like the places where it's where specifically would you invest and then in terms of people, are there anyone is there anyone in terms of your network that you've worked with that you'd get on the journey to help you deploy the capital?

00:54:38:10 - 00:54:51:17
GUEST
Oh, that's so difficult. The people piece. Admittedly, I'm still getting my own footing in the market, so it's hard for me to opine on who here I would do that with, so I will. I will plead the fifth. I don't know if that translate in terms of no, it doesn't.

00:54:51:17 - 00:54:55:02
HOST
Translate, but I'll let I'll let you off. I'll let you please I'll let.

00:54:55:04 - 00:55:20:12
GUEST
That one that. Well, that'll be difficult for me to answer because I just my, my, knowledge base is more limited there. In terms of geographies, I do have kind of a greater conviction on, on kind of secondary. And hopefully I'm not offending anyone. Secondary locations like Birmingham, where you're still close enough to London, you still have a really good amount of job and demand story.

00:55:20:14 - 00:55:45:21
GUEST
But you're getting effectively more of a, a depth of, of individual. I think there's a lot of exciting things happening with HS2, which will hopefully come sometime in the next decade and reduce the commute in half, which would be a game changer for that city in terms of the US, probably states that don't have, state income tax.

00:55:45:23 - 00:56:06:05
GUEST
So I think that's where you've seen the benefit of having single family rental. There. Cities like Nashville or

Austin, Texas, I mean, the ones that you hear of are popular for that very reason because it saves people 10% right away off of their savings. So that would be where I'd probably invest.

00:56:06:07 - 00:56:10:09
HOST
And if you couldn't invest in a single family.

00:56:10:11 - 00:56:33:14
GUEST
I couldn't do either of those. I think there's some really interesting things happening with data centers. I mean, if you think of how much data we use every day, I mean, this this is being filmed. So how much data that's occupying that's never going to decrease. So I think that's really interesting. I think self storage is really fascinating in, in particular in the US and what's happening there.

00:56:33:16 - 00:56:48:20
GUEST
A lot going on with logistics as, as we become more consumer focused and we want everything today or tomorrow. So those would probably be the three I'd look at if it wasn't residential, which obviously I'm, I'm biased on.

00:56:48:22 - 00:57:13:19
HOST
Well, Stacey, thank you so much for joining me on the podcast today. Show you a little bit about your background of story, views, and how you kind of see the market at the moment. I, I really enjoyed the conversation, and I'm excited to see what you and the team going to do at Invesco with a long term view of seeing you, set up your own business of sorts.

00:57:13:19 - 00:57:26:04
HOST
And you know that rich, rich dad, poor dad inspired you from the first place? Yeah, I'm sure is, a constant reminder of why you turn up to work and do what you do. So thanks so much for joining me.

00:57:26:08 - 00:57:27:01
GUEST
Thank you very much.