

00;00;00;28 - 00;00;49;09

HOST

Welcome to the People Place podcast. Today we are joined by an absolute, industry legend, Mr. Richard Croft. Richard is an avid real estate entrepreneur with an insatiable appetite for starting or backing numerous industry known businesses from Hobbiton, M7, Mirror Star, React News and Coyote, to name a few. He sold his last venture, M7 Real Estate, to Oxford Properties in 2021, and at the time M7 employed over 220 people across 13 countries, with over 569 assets and €4.3 billion worth of real estate under management.

00;00;49;11 - 00;01;02;16

HOST

The question I'm sure you're all asking is why? Why now? Why go again? And why the hell is he setting up market capital? Richard, welcome to the podcast.

00;01;02;22 - 00;01;03;20

GUEST

Thank you very much.

00;01;03;22 - 00;01;24;06

HOST

Not at all. I'm genuinely really intrigued and excited to see where our conversation takes us over the next hour or so. But before we get on to Motley and answer some of these questions that I just alluded to, a question that I would like to start these conversations is why? And how did you, get into real estate?

00;01;24;08 - 00;01;47;04

GUEST

Well, I mean, I think it's quite well documented how I got into it, which is entirely by accident. I didn't mean to. I had no desire to be in real estate at all. I wanted to be an actor. I was going to be an actor. And so I thought, until my father, the writer David Croft, who wrote that, saw me in I being served in Alola, amongst others, intervened and suggested that maybe it wasn't the career for me.

00;01;47;07 - 00;02;02;13

GUEST

I was the lead in a school play. I thought I was very good. He came to see me off school play sets and that was fine. Are you absolutely sure you want to be an actor? And I said, yeah, absolutely. I would have been acting. He said. Okay. He said, well, let me just explain to you the concept of being an actor.

00;02;02;13 - 00;02;22;21

GUEST

There are 36,000 members of equity, which you had to be a member of equity in those days to be an actor. 2000 work reckoning. And to make it in this business, you need to be one of two things either supremely talented or supremely beautiful. And you are neither. I laughed, knowing it to be true, and he said, look, you're not without talent and you're not Quasimodo.

00;02;22;21 - 00;02;39;03

GUEST

But I allowed to say that. But, you probably ought to do something else anyway, through press sort of false starts and careers. I ended up in real estate in 1990, working for a guy called John Simpson. I mean, this has been my career for the last 30, for 34 years now.

00;02;39;05 - 00;02;41;19

HOST

And have you do you have any family connections to real estate?

00;02;41;21 - 00;03;01;02

GUEST

Well, anyway, yeah. So John Sims was married to my sister, so that's how I got involved in my sister Jane. And they were recently together, and that's how I got involved in my own family. I, I was a futures broker between 1987 and 1990. And I was a I inadvertently got involved in the property futures contract. Thought real estate was a bit of a joke.

00;03;01;02 - 00;03;21;10

GUEST

The business got to be honest. Because, yeah, I got to choose my words carefully at that particular point. It didn't have the sophistication that it does now. It was sort of a business that sort of just, you know, we hadn't invented all the Americans hadn't arrived. IRAs were not a thing. There was no modeling. Everything seemed to be done by guesswork.

00;03;21;10 - 00;03;42;12

GUEST

And I've been involved trying to set up a property for what? I was a very junior member of the team, trying to set up a property futures contract in some physical market that didn't actually exist, really, and was, you know, there was no data for it. That was it was all just a bit haphazard. Anyway, I was talking to John in a party about how should I think real estate was and what a stupid industry.

00;03;42;12 - 00;03;53;13

GUEST

And he said, well, when you come and work in it, and I had nothing else to do, so I so I, I did I worked for him for 15 years, built his international business and then I'm gone. The rest is history, as they say.

00;03;53;19 - 00;03;55;27

HOST

So what was that first role that you you undertook?

00;03;55;29 - 00;03;59;19

GUEST

Tea boy. And I was fucking great at it.

00;03;59;21 - 00;04;02;20

HOST

And outside of being a tea boy day to day.

00;04;02;22 - 00;04;21;26

GUEST

Also, I my first proper job in real estate other than making the tea, I was a thing called a roadrunner, which is where coyote came from. So John had this idea that we should probably look to hire the company that I worked for. Industrial ownership was an industrially focused business, and he wanted to set up a database of all the industrial sites in the country.

00;04;21;26 - 00;04;48;29

GUEST

So the first 2 or 3 years of my career, I literally Monday to Friday drove all over the UK from Rhondda Cynon Taf in Wales to Hovind in Scotland through to, you know, towns outside Norwich that even I struggle to remember the name of. I literally covered the entire UK logging, every industrial site and we had a database of all the comments I had called the Roadrunner and the database was meet all intents purposes and a whole load of files behind my desk.

00;04;49;01 - 00;05;02;28

GUEST

But it was that that was the origin of coyote. The software business. And coyote was named after Wily

Coyote, the thing that chased the Roadrunner. So part in homage to John, because it was a great idea, and partly because we thought it was quite funny.

00;05;03;00 - 00;05;08;07

HOST

And how did your kind of role evolve, and how did you kind of forge your kind of career at that early stage?

00;05;08;10 - 00;05;32;16

GUEST

Well, I mean, at that particular point, I'd sort of joined make tea and learn a bit about real estate and drive around the country and get knowledge real estate, which I did. And then at some point in sort of the early 90s, 92, 93, I opened a joint venture with scion called CDO, and I sort of became the acquisitions analyst and then from there, I think by 1995 became head of acquisitions and then sort of my career just evolved.

00;05;32;16 - 00;05;46;29

GUEST

But, I mean, there was no plan, particularly I just sort of I got interested in certain things and, you know, if there I said I wasn't bad at certain things. And so I, you know, my career progressed and involved, but not with a plan.

00;05;47;01 - 00;05;52;19

HOST

You decided to set up how much time you left. I should say I own 2000.

00;05;52;19 - 00;06;13;20

GUEST

Yeah. In a fit of pique. Yeah. And I sort of. The word flounce is not a bad word to describe what happened. John and I had a major disagreement in 2004, so by then I was the number two in the organization of international business we'd listed. He wanted to sell it, I didn't I thought we had a really strategic position.

00;06;13;20 - 00;06;36;19

GUEST

We were the first platform to have a European and pan-European asset management, capability. He wanted to sell it to decent, Kevin McCabe and Michael Wilson's business, who are both great people. But I just I thought it was a mistake. We had a a a disagreement about it, and I just picked up my toys and left them to bits.

00;06;36;19 - 00;06;59;02

GUEST

Worked. But I just sort of. It was mistaken. So I took my team or some of my team with me. I called Jack Thomas, obviously, I notably, and several others. And then with Bill Sexton, who came out of Citigroup, I could take a degroote a Duggan, a who'd been the former chief executive of Brixton, and a guy called Henry Yates, who recently died and put his wonderful man who was the CFO.

00;06;59;02 - 00;07;15;14

GUEST

And I, we set up our to basically do what I was already doing, but in direct competition, I felt that a European platform in 2005, six seven was going to be hugely valuable, and we sold that in turn to GP2 in 2007. So I think we went wrong.

00;07;15;17 - 00;07;18;10

HOST

How did you go about setting up,

00;07;18;12 - 00;07;36;04

GUEST

How often I, I mean, 2005 is a strange year because, you know, for those people who lived through it, basically, if you had some hotspot and an idea, you could literally turn up to people and say, I've got a plan and people say, is it a good one? And you go, yeah, I think it is. And they would give you money.

00;07;36;04 - 00;07;55;03

GUEST

I mean, it was the probably the easiest era ever to raise money. 2005, six seven. And obviously 90% of it was coming from the banks, you know. And so the opportunity to make money in five, six and seven was huge. But obviously what happened in seven, eight, nine was the corollary of that. And the opportunity to lose money was even greater.

00;07;55;05 - 00;08;12;14

GUEST

But I don't know how. I mean, if you asked me to tell you exactly how we set it up, I did not, though. And I and Tesco, who were the sort of senior executives of Hamilton, we thought this was a good time to be investing industrial research across Europe. We thought was a good time to have a European platform.

00;08;12;14 - 00;08;38;22

GUEST

And out of ignorance, we just did it. I mean, sometimes it's easier not to know things. So I mean, we learned an awful lot about, life setting up habits. And it was a huge success for three years and an absolute disaster the 18 months before it was bought by Heinz and us. And I probably learned much more in that 18 months of failure than I did from the previous 18 years of my career, which had been mostly successful.

00;08;38;25 - 00;08;42;12

HOST

And what were some of those kind of cool things that you learned at that time?

00;08;42;17 - 00;09;05;01

GUEST

Oh, I mean, as we're learning, again, gearing is not your friend. It's it's a great tool and you use it wisely. You achieve great things with it. But, you know, if you don't use it wisely, it's like a chain so you can blow your own head with it. You know, we're learning that again, you know, to clean the office sector, data, you know, the importance of data to make decisions.

00;09;05;01 - 00;09;25;26

GUEST

And also having control of data was an important lesson. And, we did. Well, that's how chaotic came about him. But you know all about data management. The data needs to sit alongside asset management. He, you know, the continuing to talk to people when things go wrong, fronting up to them. You know, I think hiding is probably the biggest mistake that can make people can make.

00;09;25;28 - 00;09;38;07

GUEST

And not being transparent about the issues that they face or as best they can be, so this would be the three big takeaways. Data, debt management and transparency.

00;09;38;12 - 00;09;44;01

HOST

Can you just talk to me about that, that period of selling the business and the next part of your career?

00;09;44;04 - 00;10;17;02

GUEST

Well, I'm into Hobbiton was sold accidentally. Really? So GPT had a joint venture with Babcock and Brown called BGP. BGP bought a 50% stake in 2006, which we didn't really publicize. Do you? But then bought BGP out there in venture and us the business in 2007 and I became the European CEO of GPT and, you know, selling to an Australian company that didn't really have a European presence that has its own difficulties because of the 11, a nine hour time difference, depending on the time of year.

00;10;17;05 - 00;10;35;05

GUEST

You know, and to that period of being a European employee of an Australian company was taxing. But also at exactly the same time the world went tits up. I mean, there's no other important. So literally, from the moment they bought the company for the 18 months that I was the European CEO of an Australian company.

00;10;35;08 - 00;10;39;18

HOST

So what are the lessons that you kind of learned at that particular time?

00;10;39;21 - 00;11;00;16

GUEST

I think there were three big takeaways from the global financial crisis for, for me personally. Number one was that, debt is like this tremendous tool I can think of as a chainsaw. You can cut down trees, you can make big gains, but you lose control of it. You can literally lose your head. And it was saying that again.

00;11;00;19 - 00;11;22;04

GUEST

And for the first time since 2009, debt is now becoming an issue. I mean, where the NPLs come back in the same way, I don't know. But, you know, management of debt is key to data data management, people underestimate how important data is. A for asset management would be just to make good decisions. So data control. And that's why coyote became a business.

00;11;22;07 - 00;11;43;15

GUEST

And then number three transparency. Transparency is a, you know, crucial when particularly in a down market. So being honest with your investors about losses they face, but also what you're going to do to mitigate them, you know, I mean, I don't think there's a single investor in the world who doesn't expect that occasionally equity investment to be without risk.

00;11;43;17 - 00;12;14;10

GUEST

But if you're not truthful with them and also you don't to your best to mitigate the risk, I think that can be problematic. So, you know, the big takeaway that I learned from 2009, outside of data and debt, is be transparent, front up to it and always trying to deal with issues. And actually, one of the things about Marty which will come on to is when I've taken some of the more popular martech things from Amazon, you know, M7 has an extraordinary track record and will continue to have one under the leadership of David overall.

00;12;14;10 - 00;12;35;01

GUEST

But we do have a couple investments which are I'm going to use the expression compromise. I've taken those into my best hands. You know, with the I don't want to walk away from anything. If I put people's money into something, I have an obligation of, you know, not just a financial one, a moral obligation to make it as the outcome, as good as I can see.

00;12;35;03 - 00;12;59;07

GUEST

And then we have an investment in a building in the West Midlands called the mailbox, which is certainly tricky. But I think there is a pathway to redemption, I hope when this goes out I haven't blown up already. But I mean, I think there's a pathway to road to redemption. And, you know, I'm working with all the investors and to try and try and mitigate any loss.

00;12;59;13 - 00;13;24;06

GUEST

Hopefully at some point cover, you know, because a lot of value I'll skeptical. You know, values are stable. There are valuation cycles right now because of interest rates being relatively high and because certain asset classes, offices being out of fashion, you know, that becomes a perfect storm. And a building mate, the mailboxes compromise, but it doesn't have to remain so because I think the building has a long term future.

00;13;24;08 - 00;13;49;18

GUEST

So it's a question of holding on and being able to demonstrate to investors that you have a plan. And also, you know, being able to sort out the situation with the bank. Been the biggest issue with the mailbox, actually, is he is a classic case in point, his to the three lessons. One. The biggest issue is gearing because we you know, we have a overleveled now and to, you know, transparency with our investors because it's compromised because of the giving way.

00;13;49;20 - 00;13;57;22

GUEST

But there's a practical example of lessons learned. I wonder whether I'll succeed him, having learned the lessons and actually putting them into action.

00;13;57;28 - 00;14;17;26

HOST

I'm sure you will. Your, your experience and, you know, expense for themselves and setting up the business is well documented. I'm keen to, to spend a bit of time with Martin in the focus of our conversation now, but what can you say about that, that experience in terms of setting up building? Okay. Exiting, a kind of leading hand Euro investment.

00;14;17;28 - 00;14;19;01

HOST

What I mean is, is.

00;14;19;03 - 00;14;39;16

GUEST

That was the third time I've done it. So I had set up the International Business Wire Group, which is now Cromwell, through all the iterations I set about and which is now principal investors that came into us, and I set up M7 so M7 and did better than the other two. But, and you but I it's a very people have asked me this a lot.

00;14;39;16 - 00;15;02;23

GUEST

I don't really know I you know sort of it is it's going to sound incredibly hard and so I apologize. It's innate in me to build things. I have much more fun building things to managing them. You know, it's one of the reasons that I've created Motley again, you know, David Abell, my partner, who is now the chief executive of M7, I think is a better manager of businesses.

00;15;02;23 - 00;15;31;18

GUEST

And I will with me, I have more fun creating and building. And then when they're existing and big, I need to be surrounded by grown ups. Really? I'm. I like building things, you know, and I. I don't know what to say other than that I enjoy it. I enjoy creating things that don't exist. And, you know, I think, I suppose one of the things that I would say to people who don't be afraid of failure because it's not a disaster, you know, if you don't try, you won't know.

00;15;31;21 - 00;15;49;23

GUEST

I'm, you know, in my career is so full of failures, comical. But we just, you know, I just don't talk about it. I just talk about successes. And, you know, if you just talk about the successes, then, people think you're successful. I mean, you know, I'm not going to talk about all my failures, but them, they're legion.

00;15;49;26 - 00;15;51;17

HOST

You touched on that.

00;15;51;20 - 00;15;59;03

GUEST

Well, I didn't actually in the preamble, we touched on my basics, you know. Sure. And that definitely right up there amongst my biggest failures.

00;15;59;05 - 00;16;06;03

HOST

Can you elaborate on any of the failures that you've had and the lessons that you've drawn from the.

00;16;06;05 - 00;16;27;07

GUEST

Yeah, I mean, I think the lesson is, you know, it. You've got to try. I mean, and that's the big, big lesson if you're terrified of failure, you never do anything. And I'm so Alexander Fleming, you know, a invented penicillin. We didn't invent medicine. Penicillin existed. He discovered pencil. But in his career is just full of disasters, just terrible experiments.

00;16;27;09 - 00;16;46;07

GUEST

And then he discovered penicillin. That's the only thing he remembered for. I mean, you know, saved the world. Really? I, you know, it's if you don't try and discover things or try and build things, you will never know whether you could. And the amount of conversations I've had in my career with people that want to be entrepreneurs, I want to build things with entrepreneurs.

00;16;46;10 - 00;17;09;03

GUEST

I'm not gonna use that phrase, but, but, but they're actually but they're afraid to leave their job. They're afraid to not to, you know, employ people to to take risk. And the thing about entrepreneurs, you know, whether I'm an entrepreneur or not, I don't know, because it's a but entrepreneurship is a mindset. Are you prepared to take a risk?

00;17;09;03 - 00;17;26;00

GUEST

Are you prepared to fail? And if you're prepared to fail, then you can be an entrepreneur. I mean, I don't want to fail. Can I be very clear about that? I find success and everything goes with it lovely. And failure is really distressing at times, but if you're prepared to fail, then you have a chance of building something.

00;17;26;00 - 00;17;42;06

GUEST

I think if you're not prepared to fail, you have no chance. And you know my preparation to fail is probably

born through ignorance or arrogance. I'm not sure. It's like every time I saw something, I kind of believe it's going to work. If I don't, I totally believe it's going to work.

00;17;42;09 - 00;17;45;00

HOST

Has always been the case. Ever since you, Yeah.

00;17;45;02 - 00;18;08;21

GUEST

Yeah. Adam, I taken up, you know, evidence to back up that said whatever I was trying would succeed. I, you know, I and there's actually nothing really in my life to suggest that every time I start something that succeed, because 50% of the time, I need a good chunk of the time it hasn't. But yeah, every time I start something, I think, yeah, this time I've nailed it.

00;18;08;24 - 00;18;14;23

HOST

Talked me about, Motley Capital and why.

00;18;14;25 - 00;18;15;21

GUEST

You know, that's.

00;18;15;23 - 00;18;30;21

HOST

For the fourth time. Well, that's huge roaring success in terms of exiting M7 passed it off. It's under good stewardship, great leadership. And it's got a great platform to go and do bigger and better things. Did you not want to just go for a short time?

00;18;30;23 - 00;18;50;23

GUEST

Yeah. And my original plan, you know, I had agreed with Oxford that I would stay to integrate the business. And I was handing over to David. David was already the CEO in Oxford, bought the business. I'd already become chairman. And I sort of, you know, the plan was, say, for 3 or 4 years, integrate the business, become a non-executive, probably said M7.

00;18;50;25 - 00;19;12;04

GUEST

And, you know, in reference to my dad, that was a character in I have called Young Mr. Grace beyond the department. So I was going to be a bit like I mean, not for that, not to be like him, but I'd wander around saying things like, you've all done very well and sort of just gently drift into retirement, number of portfolio roles and, I'm 54, I'm a relatively young 54.

00;19;12;04 - 00;19;36;26

GUEST

I think. And suddenly the world changed. I mean, the reason that I was going to do that is that the market wasn't very exciting. It was sort of plateauing. And then was the pandemic hit, and then we've had all the Black Swan events, Sino-U.s. relations or the breakdown thereof, the Ukraine war, rising interest rates collapse in certain sectors and suddenly opportunity abounded.

00;19;36;28 - 00;19;57;23

GUEST

And I thought, well, you know, I've done this before, but actually I've now got a track record and a backing that I've never had before. So I certainly didn't have an M7 struggle to find any bikes at all at the beginning. And, you know, I have a, I think a following. And so this seemed like a fun time to set up a new business and, you know, do it all over again.

00;19;57;26 - 00;20;06;16

GUEST

But this would definitely be the last time I'm going to say this for sure. I will be 60 something by the time this is over. And, you know, I've got I've got books to write probably.

00;20;06;18 - 00;20;07;27

HOST

I'm not sure I believe so.

00;20;08;01 - 00;20;25;28

GUEST

No, no, no. Loads loads of things to do. It just won't be with what I said. I mean, yeah, I'm a frustrated writer, so I'm frustrated actor so much that I want to do. And you know, my dad's my hero. Amazingly, I'd like to emulate that a little bit. Fail at that as well, but at least would be fun.

00;20;26;01 - 00;20;31;20

GUEST

Or maybe some a career as a stand up comic or something.

00;20;31;23 - 00;20;36;23

HOST

So you touched on a few few things that in terms of the opportunities, have been too great for you to.

00;20;36;24 - 00;21;03;27

GUEST

Try right now it seems like a load of potentially. I mean, you know, you've got loads of headaches with assets you've got. But in terms of new stuff, this is the best market we've had for 15 years at least. And maybe this is a once in a generation opportunity in certain sectors. And so some things that we're doing, what I'm not going to talk about right now because you think I've read about it in, but this is a generational opportunity potentially.

00;21;03;29 - 00;21;09;26

HOST

And how how do you how does one know that? I know it might be a little a cyclical game.

00;21;10;00 - 00;21;42;12

GUEST

54 years old, 32 years, 34 years of experience. You know, I existed in a number of downturns. I've seen lots happen. And for me, this just sticks out like a sore thumb. So how do I know? I mean, well, I just do or I don't, but I think I do. So yeah, I mean, I just I think this is a literally generational opportunity, particularly for the things that we are trying to do, which if I can pull off, I think would be our biggest goal, might be will be the most interesting thing I ever do in my career.

00;21;42;15 - 00;21;49;02

HOST

Smartly is set up the business with 40 staff, 720 million under management. You just talk to me about what?

00;21;49;02 - 00;22;08;18

GUEST

So basically I've agreed to take from M7 the bits of the business it doesn't want. So the credit business. So M7 is going to focus primarily on being a warehouse manager. That's what Oxfam bought it to be, to be its industrial and warehouse brand. Your manager. There's all the little businesses that I set up and small bands, UK business, a credit business.

00;22;08;21 - 00;22;19;05

GUEST

And also I've taken back to Central European business. So the bits of sort of the outlying bits of M7 that they didn't want, oh, you know, you didn't need maybe part of the.

00;22;19;05 - 00;22;20;07

HOST

Non-Core parts of the.

00;22;20;07 - 00;22;26;20

GUEST

Non-Core bits. And I thought cobbled together. That gives me a platform and then I can go off and do all the things that excite me.

00;22;26;22 - 00;22;33;18

HOST

And so, talk to me about the new strategies and the new ideas you can be bolting them to, to the existing some of us.

00;22;33;19 - 00;22;54;21

GUEST

So the credit business is going to be a big part of what we're doing. So it's the first thing we did. We lent Tristan, we syndicated a loan of 32 million. So not huge. We've launched a which is closed our first close fund called Réseau. It's real estate special opportunities. This is made sort of like.

00;22;54;23 - 00;23;20;27

GUEST

Again, it's my fantasy fund. So we're raising 20 million pounds so I can do whatever I like. Okay. Within reason, it does have an ICM. But it's geared towards all the little tiny opportunities that exist in the market, sort of the nooks and crannies, from equities to a bit of bridge finance to buying small assets that are made that are in larger funds and they just don't fit and they just want them gone very quickly.

00;23;21;00 - 00;23;42;07

GUEST

So it's all cash a hyper liquidity trading. So know even assets. We bought one asset from a a large private equity group just before Christmas. Not in this fund but on our balance sheet for 800 grand. We sort of one half million within six weeks because they needed it gone because it caused a political issue for them. And they just this needed economy.

00;23;42;07 - 00;23;59;12

GUEST

We had the money, so we just turned up and bought it. That kind of fund. But so we were just buying stake in a public company at the moment, which was a bit of a loss. But there's just opportunity to make a lot of money through hyper trading. I'm going to go to hyper liquidity trading, just turning up and having the cash.

00;23;59;18 - 00;24;20;04

GUEST

But we're going to rotate this money very, very fast. So we just had to first consider that, we will be attempting to launch a co-working platform, but with a bit of a difference and that we're going to own the assets and sort of me, everybody else's route of taking long leases and leasing. Sure. Which is a mismatch for management contracts.

00;24;20;06 - 00;24;39;08

GUEST

Our plan is to buy the buildings because you've got the strange world of them, where the investment market for regional offices particularly, but for offices, if you ask an investor, would you like an office or would you like a test tube with a syphilitic culture in half? Investors are taking the test. You believe with syphilitic culture? I mean, just like, fuck it, we don't want offices.

00;24;39;08 - 00;24;59;01

GUEST

We have this. I think that's wrong. And everybody who tells me that the office has ended tells me from an office I. But the way we use offices is changing. So co-working is definitely going to be a major part of the future. But in the regions there is no co-working offer really. So the plan is to buy a lot of buildings and create a platform.

00;24;59;01 - 00;25;20;15

GUEST

So we got plans for that. I've set up an opportunity fund again. We're just in the process of raising money, but, so you split up business into 3 or 4 forwards credit, which we've done the first two, we raise some money forward. So we're making small loans to is co-working and that owns platforms and sort of owns the buildings.

00;25;20;17 - 00;25;47;19

GUEST

Three is an opportunistic fund. And then four we have the Central European business. And we will be expanding into Europe over the course of the next, couple of years. Monte Council will look a lot like M7 in Instructure, except for we won't be doing much industrial, if any. So one of the things that I've agreed to at M7 is that that's going to be I'm still I'm a consultant M7 and I'm not allowed to put tanks on that or nor what I want to buy.

00;25;47;19 - 00;25;50;08

GUEST

By the way, my interest at the moment is in other sectors.

00;25;50;08 - 00;25;51;16

HOST

Yeah. Makes complete sense.

00;25;51;16 - 00;26;00;28

GUEST

I'm sorry, I cannot speak highly enough of either M7 or Oxford, and they've been a delight to deal with, so I would never do anything that would compromise that relationship.

00;26;01;00 - 00;26;14;11

HOST

I was just going to touch on tens of the learnings of the three businesses you set up prior. To take into market. So it doesn't doesn't surprise me that you're saying that Motley will have resemblance or learnings from your time or from.

00;26;14;11 - 00;26;36;18

GUEST

All three, because they're all variations on a theme, which was, you know, pan-European asset management led operating partnership fund manager. Monthly will be exactly the same. I just sort of I'd like to think that every time I get involved, I'm doing its IP differently and slightly better. But I've kept some of the core team around me. So, you know, some of the partners from M7 have come with me.

00;26;36;20 - 00;26;49;16

GUEST

So Jack's fun and entertaining and specifically Anthony Ashley, who is our chairman. So, you know, Jack has been with me literally since I was I mean, we've been together professionally, I might add.

00:26:49;19 - 00:26:49;23

HOST

That.

00:26:49;26 - 00:27;20;17

GUEST

Not romantically, but we've been together professionally for 30 years. And so, you know, he's come with me. He's sort of. I think we're symbiotically attached. And every time we've learned, we would do things differently. And so Molly is starting a little bit differently. We've invested a lot of money in, investor platform. What I mean by that is our reporting, and every time we start or I start, I want to improve the things we did previously.

00:27;20;17 - 00:27;33;14

GUEST

I hope we do improve. There's no I mean, just in my mind, we have had other people decide whether we have. But, you know, it's you learn lessons and you try and do things a bit better every time you start. No guarantee that you will, but you try.

00:27;33;15 - 00:27;48;09

HOST

That's the that's the idea you touched on there. Jack's been we did a professional practice for 30 odd years. You've also had a very long standing, loyal team over the years. What are the kind of the lessons that you've learned that you can impart when it comes to, you know, and why not?

00:27;48;09 - 00:28;15;23

GUEST

Certainly leadership is easy if you're surrounded by really talented people. And I mean, so it's not really leadership. Just let them get in sort of like, I mean, I suppose my role sometimes would be a bit like sheepdog, you know, and probably that's not even fair either. But cat herder and actor maybe. Yeah. But with really talented people in first violin and when there's risk but it's like, it's I don't know, there's not many lessons I can pass on.

00:28;15;25 - 00:28;35;04

GUEST

Just, you know, friendship, though, is and companionship, you know, is a people underestimate how important that is. I think in building a really good team culture, going to people say never work with friends. Well, I would only work with friends. I mean, why would you want to go to work with somebody you don't like it? Honestly, it's you spend so much time at work.

00:28;35;04 - 00:29;02;21

GUEST

You've got to surround yourself with people that are funny and engaging and your friends. And the nice thing about real estate, the reason that I've stayed in it is as an industry, it's full of really top people. There are very few people in real estate that I don't like. I mean very, very, very few. And and there are hundreds that I genuinely enjoy the company of, you know, and I've been very lucky to have a huge amount of friends in the industry, and I would like to think I still do.

00:29;02;21 - 00:29;04;08

GUEST

So,

00;29;04;10 - 00;29;13;11

HOST

It's, it's one thing saying, you know, family and friends and building a business, but business is business as well, you know, and franchising time as well. Yeah. It's out of the gate. Yeah. How how so there have.

00;29;13;11 - 00;29;31;18

GUEST

Been a couple of people that, you know, have left partnerships that I've led, who are friends of mine who are late but just for come. But, you know, you just treat them very fairly and financially fair. Fairly. So you know, those that probably prioritize the payments. So if things go wrong with friends, you know, you don't give up on them.

00;29;31;18 - 00;29;54;02

GUEST

You just do you navigate it. But I mean that's like saying what happens if you fall out with one of your friends and was like, well, you deal with it and you try and mitigate it, but I would much rather work with friends in a business as business. Who said that is a bullshit statement? You know, it's like, how much better to do things with people that you like.

00;29;54;04 - 00;30;06;15

GUEST

So, for me, business, friendship, partnership, teamwork, they're all connected. And anybody who tries to separate them is fine. But that's not the way that I would do things.

00;30;06;17 - 00;30;14;23

HOST

He talk to me about being a contrarian investor and, having a kind of a contrarian. You know.

00;30;14;23 - 00;30;33;06

GUEST

I do think contrarian value I like I don't like that phrase because it sounds like you disagree with everybody. It's I would like describe a value investor for looking at markets and saying, okay, there is a value here because the market has mispriced this. Now people call it contrarian. I mean, I, I'm not sure that's the right word.

00;30;33;06 - 00;30;54;00

GUEST

I'd like to use the word value. So I look at certain markets, as I did an investor in 2009 and think that looks mispriced. I don't think that the market has fairly valued this sector. And I look at that in the moment with offices, and I can hear people laughing into their headphones. Seven people that might listen to this podcast laughing now going, what a fucking nut.

00;30;54;02 - 00;31;10;20

GUEST

Does he know the office is dead? I just don't think it is. I think there is a huge, potential for the sector providing that the owners of the sector provide the right product for the occupier market that now exists, hence my coworking discussion.

00;31;10;23 - 00;31;16;29

HOST

And do you do you have a lot of data that backs this upwards? It's more of a gut feel when it comes to you making on this.

00;31;17;02 - 00;31;23;11

GUEST

I've talked a lot about data, so yes, I do, but also so it's a gut feel, aided and abetted by data.

00;31;23;14 - 00;31;40;20

HOST

Yeah. So in terms of, moving, moving forward, you've got the strategies in place, you've got the existing book, you've got aspirations to, to to build another pan-European platform, one of the one of the challenges or one of the things you kind of need to unlock to kind of take, I'd say, the journey and.

00;31;40;20 - 00;32;00;04

GUEST

Making sure that, you know, particularly when you employ a ton of people to start a business without as much business. So, I mean, smartly, is loss making from day one. So I have to solve the problem and grow the business enough that it doesn't remain loss making. At which, by the way, I fully intend to do. But this is the way that I built M7 as well.

00;32;00;04 - 00;32;19;06

GUEST

As you know, most started with my team, my partners there, but there are 18 people and absolutely no income at all, and I'm seven. That was mad. This time we've got 40 people, enough income to pay for 20. So it's a variation on a theme. But you know, my belief is it's much easier to convince people to give you money.

00;32;19;08 - 00;32;47;20

GUEST

If you run a fund management business or an asset management business, if you've prepared to invest in the platform yourself. And so we are a full service platform. And so when people talk about the strategies that I'm suggesting, when I talk about the problems, the strategies that I'm suggesting, I actually have the manpower woman behind the people behind to back it up, rather than saying, look, it's me, a computer, I found dog.

00;32;47;22 - 00;33;04;15

GUEST

He barks a lot. I'm we're going to do it. And then I'm going to employ some people when you give me some money. So here is my platform, here is all the infrastructure. And I was lucky enough that with signing this, I had and a bit of wherewithal to be able to put some money into the platform and, and hire people.

00;33;04;20 - 00;33;24;08

GUEST

But it could go south really fast if I didn't scale it. And but again, this comes back to being not afraid to fail. You know, I think scaling it right now is the right thing to do because there is capital that is interested in opportunistic positions. But you've got to demonstrate you've got the manpower and capability to actually deliver on it.

00;33;24;11 - 00;33;30;22

GUEST

And I think Motley is, for a startup, kind of uniquely positioned to take advantage.

00;33;30;26 - 00;33;39;06

HOST

And give investors, allocators the confidence to be able to. Yeah, there's various pots and funds that you have, and you've got the team and the infrastructure and rigor around.

00;33;39;06 - 00;33;49;08

GUEST

Yeah. Because I'm not saying that I'm not prepared to back at myself by employing people and and creating a platform. Yeah. I mean, I think that gives people confidence. It should give people confidence.

00;33;49;10 - 00;33;58;19

HOST

Where do you see capital, kind of global capital coming from looking to kind of access globally? European market. But is there is they answered your question is there is there is.

00;33;58;21 - 00;34;00;08

GUEST

A global capital from everywhere.

00;34;00;08 - 00;34;01;15

HOST

It is everywhere.

00;34;01;17 - 00;34;25;20

GUEST

Yeah, potentially. I mean, there is, you know, I mean the UK has some unique challenges. They my political views are well-known. I hate this government hates the. So I don't like the word hate. But you know I mean they've been a disaster, you know. And can be Bertino guess they got you know, her attack on the former chairman of the Post office under parliamentary privilege is another example of where this government has gone hideously wrong.

00;34;25;20 - 00;34;49;20

GUEST

And I think they damage this country. I mean, I really do. So please keep this bit in. I cannot tell you how toxic this government is in my opinion, and the Conservative Party generally. So, you know, I will be voting labor at the next election just to ensure that we get a change of government and the Conservative Party can refresh or break up or, but, you know, so the UK has.

00;34;49;22 - 00;34;58;17

GUEST

So this started because the UK has, challenges at the moment, created in part by Brexit, which I, as you know, I think makes about as much sense as slamming.

00;34;58;17 - 00;34;59;20

HOST

I wasn't going to raise it when.

00;34;59;20 - 00;35;27;18

GUEST

I had to raise it, you know, repeatedly slamming car door on your hand. And it doesn't make any sense. Still doesn't you know, I find that the Brexiteers who go, well, we've got sovereignty. We can't fucking eat sovereignty anyhow. It's a stupid concept. Napoleonic concept. Anyway, put put that aside. The the issues that the UK have put off some international investors, however you saw Steve Schwarzman say about and John Gray about the UK, they believe in a long term.

00;35;27;18 - 00;35;52;10

GUEST

And by the way, so do I. I think the UK has three innate advantages that no other country has in combination anyway. One, we have the best legal system in the world, full stop. I mean, I'm not a, you know, British, what's what I'm looking for. As a word, I mean, we're gonna have to cut this out because, like, exceptionalist.

00;35;52;10 - 00;36;12;19

GUEST

That was what I was looking for. You know, a lot of people just believe that Britain is exceptional. I don't I think it's a fantastic country, but there are lots of fantastic countries. But we do have the best legal system. I'll go to town on that. We also, thanks to John Harrison, you're going to be who is John Harrison have an innate advantage, which is GMT was the guy who invented longitude.

00;36;12;21 - 00;36;29;01

GUEST

We are the center of the day and I people underestimate how important that is. And then we speak English, which obviously is, you know, but it is still the international language of business. So English speaking central that day, fantastic legal system that gives the UK a technical advantage. We're doing our best through this government to get rid of it.

00;36;29;01 - 00;36;48;19

GUEST

We won't because they're just in it. And I think with a change in government and a change in structure, I think, you know, I think this country is set okay over the next ten, 15 years. So you've got a weak pound, which is attractive to investors. I think you've got an investment market that is feeling very damaged that the moment.

00;36;48;21 - 00;37;08;26

GUEST

So I think this is a good time to invest in. You can attract international capital to that. But my sort of rage against the government started because we do have certain investors at the moment. We think the UK is just too damaged and but that's down to the government. I think that will change under the under labor administration, which I think will be stable, boring.

00;37;08;28 - 00;37;14;17

GUEST

But right now, having a prime minister who isn't a total loss, I think is going to be great.

00;37;14;20 - 00;37;18;26

HOST

Do you think it's priced in line with government or a change in pricing?

00;37;18;27 - 00;37;41;13

GUEST

But I mean, how could they be worse genuinely? So on his question, I mean, how could they be worse? I'm asking you. I'm returning him. I'm not asking you. How could they be? What? How what is it? What does that mean? Is it pricing? There's nothing to price. We have literally the worst government in ever in British terms.

00;37;41;15 - 00;37;57;03

GUEST

So I think they're priced in. I do think Rachel Reeves as chancellor and Kasama as prime minister will be an improvement. Now, that does mean say that I think they're tremendous. I think they're an improvement. So yeah, I don't think there's any these pricing.

00;37;57;06 - 00;38;06;12

HOST

Do you think the challenges in the global half of the global economies got an election this year? Does that throw a spanner in the works in terms of capital components, real estate?

00;38;06;14 - 00;38;27;14

GUEST

I think if you I mean you can look at this to two ways. There are all kinds of terrifying democratic events happening. I mean, terrifying and democratic in the same sentence. You know, we could have a Trump presidency. I mean, we could continue to have a conservative government that looks wildly unlikely. I so I don't think you can think too much about it.

00;38;27;14 - 00;38;48;24

GUEST

You just have to accept that democracy is flawed. It's the best form of government, as Churchill said them apart from. And so he said it's the worst form of government, apart from every form of government ever tried. You know, that's such a threat to democracy. It has thrown up some strange results over the last five, ten years. But this is a phase I hope.

00;38;48;27 - 00;38;55;14

GUEST

I mean, I believe in democracy, and I think that eventually the global citizens of citizenship will get it right.

00;38;55;18 - 00;39;03;26

HOST

I hope in terms of the types or the size of the asset class, where, you know, do you ever particularly touch on Rizzo being sort of more small?

00;39;03;26 - 00;39;05;05

GUEST

Michael does tiny. Yeah, that's.

00;39;05;05 - 00;39;10;26

HOST

Tiny stuff in terms of the kind of the core part. You focusing on a particular lot size of.

00;39;10;29 - 00;39;30;05

GUEST

That, we will be opportunistically let you know. So I, you know, as soon as you are prescriptive about these things, it really limits what you can do. So, you know, we've got themes and, you know, I mean, so let's say you're building met all the requirements from size type of building this. But you could buy it really cheaply.

00;39;30;05 - 00;39;46;20

GUEST

Sent fell below your minimum lot size. But that's a reason not to buy it I don't think so. Or you had a really, really big opportunity that was bigger than your, you know, prescribed lot size, but it represented such extraordinary value. Would that be a reason not buy? I know I didn't I don't think so.

00;39;46;20 - 00;39;49;09

HOST

So you won't constrain yourself by.

00;39;49;10 - 00;39;57;17

GUEST

Not I mean I would be constrained by the amount of capital that I have available to me, but for no other reason. Okay. Providing we think it's value.

00;39;57;19 - 00;40;04;16

HOST

Talk to me about the parallels between the global financial crisis and the opportunities that now.

00;40;04;18 - 00;40;24;01

GUEST

So I, I think the global financial crisis is misnamed. I don't think it was a financial crisis. Liquidity crisis, basically the liquidity ran out. There was no money. And the reason that we've had quantitative easing in such large amounts since 2009, it was to put money back in the system, but oil back in the system, but it's been used.

00;40;24;01 - 00;40;46;04

GUEST

There was no oil in the engine. And now we have a we have a global financial crisis this time, but we don't have a liquidity crisis. There's no shortage of liquidity. There is more money than ever, which is why the S&P, the Nasdaq, the Dax, we can ignore the Footsie are at record highs and Bitcoin is back of a \$50,000 a Bitcoin.

00;40;46;07 - 00;41;10;00

GUEST

So we don't have a liquidity problem anymore. It's a very different we obviously have high interest rates and we had naught interest rates last time. But I'm you know, the financial crisis we have now is going to drive interest rates down. You know, I've talked to you previously about my view on interest rates. I'm so I don't like the expression contrarian investor, but I do have a contrarian view on interest rates, which is that coming down harder and faster than people realize.

00;41;10;00 - 00;41;35;02

GUEST

I mean, I've been saying this for a while, so people would say, but you've been saying that for a while, maybe more. But texturally, I think I'm right. Interest rates will fall because the people that can't afford them the most are governments. But here's a little fool view the U.S. debt ceiling today is a \$34 trillion. It's a proper sum of money.

00;41;35;04 - 00;41;54;20

GUEST

So I don't know if you remember the 1992 speech by one regular reason why you would remember the speech. That famous speech which gave birth to Reaganomics, to which amongst the things you said was a billionaire billionaire, soon enough you're talking real money. Well, billion. It's trillions now. 34 trillion. But here's a little stat for you to keep you awake at night in the next 12 months.

00;41;54;20 - 00;42;18;20

GUEST

Sorry, not just now. Over 6 trillion of US sovereign debt rose to 510 year money, all of which is basically between 0 and 1. And it'll be above four probably. So assume that there's a 400 basis point uplift on that 6 trillion. That's \$240 billion of extra interest just on the money that rolls now that the American government has to fund.

00;42;18;22 - 00;42;44;15

GUEST

Well, if you think that the the American government's total budget, I think it's 12 or \$13 billion, that's 2% the government is already running this massive structural deficit of nearly 7%. So how can it afford high interest rates? And the whole 34 trillion is at 4 or 5%? Is the little stuff. That's \$1.6 trillion of interest. That's 10% or more.

00;42;44;17 - 00;43;06;15

GUEST

That is 12% of US government spend. That's not sustainable. So interest rates will have to come down. Now investors will say, well, you're so indebted. We need interest rates be high to buy your paper. So if

that's the case and they can't afford the interest rates, then quantitative easing and money printing is probably going to be the outcome for the next ten years.

00;43;06;22 - 00;43;31;07

GUEST

I'm not saying that it ends well, okay, but I'm saying it, which will result in asset inflation again, which is why money is exciting. And this is the reason the bitcoins, which, you know, I tend to take the just, you know, position that Parker actually take that I don't really see the point in decentralized finance because when it goes wrong, everybody will insist that it's not decentralized.

00;43;31;07 - 00;44;01;26

GUEST

But, you know, the reason that Bitcoin is \$50,000 and ripple coin and like coin or ripple like coin, Ethereum, etc., all of the various, you know, cryptocurrencies are now going through the roof is all of this liquidity is being pushed into, alternative assets, but also this understanding that, you know, fiat currencies are becoming debased. And the only way that governments are going to vote for themselves is to print their own money.

00;44;01;26 - 00;44;19;00

GUEST

Again. We're going to see another ten years of that. Almost nobody agrees with me. But by the way, every economist will tell you that I'm wrong. I want it to, but I just don't see how else we fund the left. So we have, you know, there's no British government that's going to cut investment in the NHS, but we don't have enough tax tech.

00;44;19;00 - 00;44;38;18

GUEST

So it's going, you know, the Bank of England is going to have to, you know why it's a buy the government bonds, which is what quantum easing is. So I think we're going to have lower interest rates because they're affordable for the government. And I think we're gonna have contributing. But the reality is the modern economic system is described by Adam Smith.

00;44;38;18 - 00;45;02;27

GUEST

So Hayek or Keynes or Friedman doesn't work anymore. It just doesn't because we've built our entire empire on debt. And debt can only exist if interest rates are very, very, very low. And, you know, the public, the PSP, the public sector borrowing requirement of every country's just going up. So unless and by the way, if you keep interest rates really low, 200% of GDP debt like Japan has works.

00;45;02;27 - 00;45;22;19

GUEST

It's fine. Doesn't have interest rates are 5%. It blows everything up. So you know my view is that interest rates are falling. I, as I say, I am in a view of a few people at the moment. This is not a popular view and it goes against economics as it's taught in school. And, I accept that I might be wrong though I don't think I am.

00;45;22;21 - 00;45;37;12

HOST

Well, had it here at some stage. But listeners talk to me about, setting up or back in New Rochelle. The businesses across the the real estate ecosystem. How and why did you want to do that?

00;45;37;14 - 00;45;55;02

GUEST

Well, how? I don't know. People came to me and said, would you like. Yeah. Why? Because it's fun, you know? No, certainly. I mean, take me to start again. Arena is just a superstar. And I wanted to open when

David actually came to talk to me about react news. He's just a good dude. And it wasn't, you know, it wasn't in either case, huge sums of money to help him.

00;45;55;02 - 00;46;17;16

GUEST

And, you know, at why wouldn't you if you had the resource and the people that you liked and you wanted to help them, why wouldn't you? And if you could, taking that gnomonic position that goes well again, super. But it's like I mean, we did it and I said it wasn't me. It was my M7, M7 partners. We have a we did it to together.

00;46;17;16 - 00;46;39;29

GUEST

And by the way, there's lots of things that we got, you know, things that we don't talk about, which are the things that have gone less than. Well, but those two went very, very well. But they're just good people who deserve backing. And I you know, one of the reasons why actually did I do do it, we'll continue to do it is that when I was setting up M7 was it was really lonely because I didn't have anybody who would help us, or at least not particularly.

00;46;40;01 - 00;46;51;09

GUEST

And so if we when we had the way with all the help and we could, I kind of think, why wouldn't you rather why?

00;46;51;11 - 00;46;57;06

HOST

How did you go about setting, setting up, raising that first fund or getting the first capital to back?

00;46;57;09 - 00;47;17;00

GUEST

Oh, God. I by begging I was it was a pathetic to watch, basically charging no fees and begging and just sort of, you know, I say to anybody who starts a business, just put runs on the board, don't matter if you lose money on the first try, just put money. You must make money on investment. But if you lose money on the fees, just get runs on the board.

00;47;17;02 - 00;47;40;05

GUEST

And that's what we did at M7. I mean nomads and marked on a who are first to backers would, you know I'm hugely grateful to both of them. But the commercial deals that we struck with both would suddenly get in their favor knowingly. I mean, my view was just get a couple of deals done, get a reputation for getting deals done and understood.

00;47;40;05 - 00;47;44;19

GUEST

And then, you know, different capital will find you, which is what happened.

00;47;44;22 - 00;47;57;11

HOST

For someone listening to this who sat at the Fonterra investment management business, who's got aspirations to set up their own real estate platform, asset manager investment, this is what advice would you give them other than just go get a couple of runs on the board?

00;47;57;14 - 00;48;18;00

GUEST

That's the primary it the primary advice and just, you know, make sure that you whatever it is you're trying to sell to raise money for you, you really understand this. You come across as if you understand it. So,

you know, don't don't just say like I, I think things are cheap. I want to buy them in a data platform.

00;48;18;02 - 00;48;41;06

GUEST

And, you know, believe in what you're doing, you know, and you know, and be knowledgeable on it. I mean, people might not agree with all the conclusions that I've come to, but I don't think you'd meet anybody who wouldn't say that. I, I spent that I'm not somewhat knowledgeable about most things, and I spent a lot of time reading, researching, trying to make sure that I can answer any question that an investor would ask within reason.

00;48;41;08 - 00;48;47;21

HOST

Yeah, I was going to ask you that. Outside of real estate, what do you what do you focus on the what was your release for real estate or is it very much all consuming?

00;48;47;23 - 00;49;12;24

GUEST

No, I just I mean, I know you said it's not all consuming for me. Just happens to be what I do. I read a lot. I mean, I read, you know, it's. And I spend a lot of time debating things with my friends and colleagues and, you know, debate, learn. I mean, you can't stop learning. And the more you debate, the more you discuss things with people and particularly people you disagree with, the more you learn.

00;49;12;24 - 00;49;13;27

GUEST

I think.

00;49;13;29 - 00;49;21;00

HOST

Talk to me about what drives you, what gives you the energy in the fire to keep doing what you're doing day in.

00;49;21;00 - 00;49;42;06

GUEST

Day? I mean, I don't think that there's nothing. I mean, it's just what I am. I don't think there's anything to wake up with. The more I think today I'm going to have three shredded wheat that's going to fucking farm does that. That's just that's just not the thing. I mean, you know, I'm inquisitive, so I suppose I'm I'm curious.

00;49;42;08 - 00;50;03;02

GUEST

I, I would say this about myself. I, I'm amused by that, you know, that's not the right word. But as long as you find yourself still amused by things, you're still curious, you know, and I think life is interesting. And so if you're interested, then doing things isn't difficult. It's when you lose interest that I think things become difficult.

00;50;03;02 - 00;50;09;14

GUEST

And, you know, I'm fortunately yet I've not lost interest in stuff. I'm more interested than I've ever been, actually.

00;50;09;16 - 00;50;14;16

HOST

But you driven by legacy or kind of what you leave behind?

00;50;14;18 - 00;50;49;17

GUEST

I talked to my son about this. My eldest son, Zach, who's 21 and just launched his own business and which is really interesting. I, I don't know, I think, I mean, so my father has an amazing legacy. I talk about him. I'm the sixth of seven children and my three brothers and three sisters were really close. And so 18, 15, 17, yet so their greatest legacy, I think that mum's greatest legacy isn't his body of work, which is obviously famous, is this extraordinary family that he built.

00;50;49;19 - 00;51;03;20

GUEST

So I suppose any person who sits in our interests and legacy is lying because we all have an ego. I mean, I have an ego. I like to manage it as best I can, but so of course, I want a legacy. But I do it because it's what I do. It's in. It's why I get up.

00;51;03;20 - 00;51;23;16

GUEST

I am it's a difficult thing to say. I very rarely start something because I have a vision of ten years time. What it's going to be look like, if I was an artist, which I'm, by the way, I'm the worst fucking artist in the world. But if I was an artist, my, you know, I would be much more abstract than I would be defined.

00;51;23;16 - 00;51;45;16

GUEST

Everything that I start, I start because I want to see where it will go. But you go on a journey with a business. You're building, with the business, you know, you at least I do. You know, there is obviously a sort of a business plan of sorts. But I think when you own a massive business or if you're a huge existing business like Unilever, then of course you must have a plan and a strategy.

00;51;45;18 - 00;52;02;10

GUEST

I think when you're starting something from scratch, which is what most of my career has been, you grow with it and then it becomes something like M7, and then you hand it over to somebody like Oxford, who are going to look after it the way that it should, because it's like it's like a child. It's grown up. It needs to move on.

00;52;02;13 - 00;52;08;10

GUEST

And that's how I view entrepreneurship as you build things, that grows up and then you leave it.

00;52;08;16 - 00;52;11;07

HOST

You don't run overengineered or overcomplicated.

00;52;11;07 - 00;52;41;22

GUEST

I don't I'm not clever enough to I mean, I just like, you know, I, I wish I could, you know, otherwise I'd be Elon Musk and I would be a very different person, you know, built a very different business. You know, engineers can offer engineers stuff, but can sort of create things that are different. I, you know, I'm just a builder of businesses and platforms and no, I don't have an engineer because the platform happens because of the people that you have in it.

00;52;41;22 - 00;52;45;19

GUEST

And then it just it evolves. It's a living organism to me anyway.

00;52;45;21 - 00;52;59;24

HOST

It's it flows, you fly and then you fly in the face of convention in terms of picking one thing and focusing on it and doubling down on it for a very long period of time. You you seem like you're able to, you know, run a lots of different things and take everything for a bit.

00:52:59;26 - 00:53;14;26

GUEST

But there's always been a core. So, you know, M7 the call was industrial, you know, was a sector that I thought I might need to call will be offices when it's at the moment and credit. So yeah, I can do lots of things at the same time. But they all have a theme running through them as a thread.

00:53;14;29 - 00:53;33;00

HOST

So, as we sit here recording towards the the latter stage of February, Mipim is on the horizon, so it has never been before. Here you go. And, what advice would you give me? And you account any stories from from some previous events that you've been to?

00:53;33;03 - 00:53;52;00

GUEST

I yeah, I've been to many Mipim. I'm, I think a 28 year veteran. So I only missed one year between 2000 and sorry 1995 which was my first Mipim. And now I've missed one Mipim, which is 2009, where I was banned effectively not by me.

00:53;52;02 - 00:53;52;15

HOST

But I that's a.

00:53;52;15 - 00:54;20;06

GUEST

Story about I was on gardening leave from GPT and insisted that I didn't go, so I didn't. So we held an alternative Mipim six of us, but six of us went to Portugal and got very, very drunk. But it was the to. I've never been in the UK for Mipim week. Since 1995. So this is my 28th or 29th welcome.

00:54;20;08 - 00:54;40;24

GUEST

I think maybe I'll retire at 30. That seems like a a good number. I know it's a fantastic event, providing I think people don't endanger. Take it too seriously. So I have a goal of no meetings for this, very few meetings because, yeah, I go to every party I get invited to. I mean, I will turn up the omnium a fucking envelope if I must, but the rationale behind that is that's how you meet people.

00:54;40;24 - 00:55;10;06

GUEST

I've made loads of friends. I mean, I do have dinners and lunches that have been described, but basically I just turn up to events and talk to people. I don't have no meetings, but, you know, the the people who march up and down across it for every meeting, every 45 minutes. I think they're mad. I mean, I admire them, but I take it I would much rather go to parties, have a good time because I don't think I've ever done a deal at Mipim, but I've done hundreds of deals that have come from relationships and started.

00:55;10;08 - 00:55;30;04

GUEST

And whether it be 2:00 in the morning about Rome or the Martinez, or whether that be, you know, a lunch where I've met somebody, I just, you know, I have tremendous relation to in a sense I Trump I'm you know, I've build some really wonderful relationships at Mipim and friendship, lifelong friendships. And it's a great place to be.

00:55;30;06 - 00:55;49;22

GUEST

But if you think you're sort of if you are just having meetings, basic meetings, I think you're missing the point of it. It is a Congress. That's what they call themselves, actually. And so, you know, where everybody needs to get together and you can meet people. And if you're meeting people that you already know by, I mean, I mean, I do hang out with lots of people.

00;55;49;23 - 00;55;59;25

GUEST

I know my friends, but I, I've met a lot of people at Mipim by going to parties and just wandering up and saying hello. And, you know, you never know where a conversation might need.

00;55;59;27 - 00;56;03;14

HOST

Amazing. Well, thanks for that. I'll take that advice to to heart.

00;56;03;14 - 00;56;29;05

GUEST

So there is another tip. So there's a bar called Barracuda opposite the madness. That's basically where everybody ends up after 3:00 in the morning. Avoid that place. It's it's it's some of my less good experiences have resulted in. It's kind of like a timewarp. It's like you go and then you leave and 3 or 4 hours disappears. And when you leave, life is remarkably more complex than when you went in.

00;56;29;07 - 00;56;32;28

GUEST

Walking is definitely more complex. So just avoid the barracuda.

00;56;33;01 - 00;56;44;00

HOST

So as we draw to close to the question I ask, everyone who comes to the podcast is if I gave you 500 million pounds worth of capital here, the people, which property in which place would you deploy that capital?

00;56;44;02 - 00;56;51;24

GUEST

Who are the people? So you give me the money and I'm giving somebody else. That doesn't make a lot of sense. You should give it directly to know.

00;56;51;29 - 00;56;56;22

HOST

If you would. If you do hire them or bring them on. Those people that you've worked with previously.

00;56;56;22 - 00;57;27;14

GUEST

So. So the people that I'm trying to hire at the moment, I obviously can't tell you who they are because some I, I hope somebody is giving me 500 million and I will be doing that. The people I can't tell, but I mean, so obviously, you know, I mean, I'm name check my partners, M7 and, you know, David Jack Toms, Andrew Jenkins, Tereza Dyer, Hugh Fraser, Tom Pearman, only Farago, David Simmons.

00;57;27;16 - 00;57;51;04

GUEST

I won't miss anybody. I, you know, just to them epic. And, you know, if I had my time again and it wouldn't I'd love to work with them all again on the what are we do we actually have some joint. We have some private businesses together. Sector. For me, co-working is the thing that really stands out as being a real opportunity, was the other thing that I need to.

00;57;51;04 - 00;57;55;22

HOST

Invest in the place I so co-working of the world, the.

00;57;55;22 - 00;58;14;12

GUEST

World's gone. I mean, like, I mean, so I mean UK, Europe and the US primarily, but I mean, not that sector I think has is a global opportunity. Right? Right now. I mean, can I just pick a town that I could randomly put some money in? I love person Evans, my hometown. So I feel that that would need some investment.

00;58;14;15 - 00;58;36;06

GUEST

And for those people who've never visited Evans, it's epic. Go visit. We have, we have an abbey. It's where we Bury St Edmunds. Because he died is where The Pickwick Papers were written by Charles Dickens. And Abigail Street is one of the prettiest streets in the world. It's just a fabulous base. So, I double up as a salesman for the Evans Tourist Board, and I would very much like everybody.

00;58;36;11 - 00;58;39;02

GUEST

The surprise snippets that's going to get some money.

00;58;39;05 - 00;58;45;03

HOST

And at the end of this, when it's all said and done and you excited Martinique have to be a pub landlord.

00;58;45;10 - 00;59;01;16

GUEST

Yeah. So I'd pub is probably I have had a long term ambition to run a bar in the Caribbean I know. Oh yeah. But I mean just like a proper beach bar. And so I mean, I do actually have a business plan for this, which I'm going to share with you. The bar is going to be free, okay.

00;59;01;18 - 00;59;25;19

GUEST

And I won't charge anybody. Frank's drinks are free in this bar. So already people are listening in and thinking, that's not very bright. However, to qualify for free drinks because you'll have to pay unless you qualify for free drinks. Everybody can qualify for free drink by writing a letter. So there will be computers knocking around the place, and you just have to write a letter to anybody, anybody to you, right and off Hitler, because you want to ask what the fuck were you thinking?

00;59;25;19 - 00;59;44;08

GUEST

Well, you could write to your mum, or you can write your lover or whoever you want to. And so I will have a website in which I will every week publish the best letters that are written, subscribe to subscription website, because most people have something in them to to write, and every quarter will publish a book with the best ideas.

00;59;44;08 - 01;00;03;24

GUEST

And that's driven by Ernest Hemingway wrote an awful lot of letters whilst he was drunk in the Caribbean, some of which were fabulous. And so I'd call the bar the correspondent and make it a place for people to come visit. It would just be a shack. We won't really serve anything that isn't rums out or something associated with coconuts.

01;00;03;26 - 01;00;17;01

GUEST

But the aim would be to get people to imbibe a little and write and let their inner feelings out. And I think that would be honestly, it would be a great, a great insight into you and humanity. So one day I might actually do them.

01;00;17;04 - 01;00;20;10

HOST

And would that be a nod to your father as well of sorts?

01;00;20;13 - 01;00;31;17

GUEST

Not really. That so that this actually is not Ernest Hemingway is no more complicated. He was a great letter writer as well as being a writer of books, and he wrote a lot of those letters drunk in the Caribbean.

01;00;31;19 - 01;00;39;20

HOST

Well, Richard, you've had a phenomenal career. Like you said, you were a serial entrepreneur, an absolute titan of the real estate industry.

01;00;39;24 - 01;00;49;26

GUEST

I can I when I go home tonight. Well, when I speak to my son tonight, I can say that I've been described as both a legend and a titan because that's the truth for me. So I'm very grateful.

01;00;50;01 - 01;00;54;02

HOST

No, not at all. And, you know, I certainly don't choose those words lightly.

01;00;54;04 - 01;01;01;10

GUEST

I'm going to when I see him tonight, I'm going to laugh like hell. And he's he thinks I'm an asp. So he will bring me back to.

01;01;01;12 - 01;01;10;19

HOST

Back to reality. Well, I'm really, really excited to see, what you and, your band, go, to, to do.

01;01;10;20 - 01;01;11;01

GUEST

My new.

01;01;11;01 - 01;01;24;26

HOST

Band. Your new band, and how you can pursue those different strategies and build a platform. So I'll be watching from the sidelines cheering you on and excited to see how you navigate the challenges at the highs and the lows on the way.

01;01;24;29 - 01;01;25;08

GUEST

Thank you.