

00;00;03;29 - 00;00;25;04

HOST

Welcome to the people Property Place podcast with me your host, Matthew Watts, founder and managing director of Rockbourne. This is a podcast where I share the stories, views, opinions and career journeys of the movers, shakers, innovators and leaders in the real estate industry.

00;00;25;07 - 00;00;30;25

HOST

Welcome to the People Property Place podcast. Today we are joined by Penny Hacking.

00;00;30;27 - 00;01;10;29

HOST

Principal and managing director of European Capital Markets at Avison Young, where she also serves as a member of the European Executive Team. Penny has over 25 years experience in EMEA capital markets, having transacted in excess of €3 billion in all the major markets in Europe, including the UK, Germany, France, Netherlands, Spain, Nordics and Keys. She has experience across all sectors but has a predominant focus on industrial, logistics and offices.

00;01;11;01 - 00;01;44;08

HOST

She's worked with clients such as Tristan Capital Partners, UBS, CBRE, GI Prologis, Evans Randall and W.P. Carey, adding value to investors and owner occupiers on disposals, acquisitions, joint ventures, forward funding and forward commit deals. Penny has worked at Kingston's JLL Victoria and GVA during her career, and is at the forefront of delivering change and driving diversity, equity and inclusion across our industry.

00;01;44;12 - 00;01;48;18

HOST

And Penny, I'm really, really excited to have you on the show. So thank you so much for joining me.

00;01;48;23 - 00;01;52;19

GUEST

Thank you so much for having me. Wow, what an intro.

00;01;52;22 - 00;02;12;25

HOST

Well, look, I am a little a little bit nervous about this conversation. So I think we can probably touch on a few things that I might be a little bit uncomfortable diving into. You know, I'm really excited to kind of unpick how and why you've navigated your career. Yeah, because you are certainly in a shameful, an outlier in, in our industry.

00;02;12;26 - 00;02;29;17

HOST

Yeah. And as I touched on in the intro, I know you're passionate about diversity and inclusion and sending the elevator down to make it easier for people on on the up. So I'm keen to spend some time there, but a place that I always like to start these conversations is how and why did you get into real estate?

00;02;29;19 - 00;02;57;19

GUEST

So I come from a farming background, so you have been in my life for a long time. So and I was quite a tomboy and I loved working with my dads on the farm and in his view, I should have gone. He wants me to go down the land management route, which was natural routes. Yeah. And so had a place at the Royal Agricultural College studying land management.

00;02;57;22 - 00;03;22;14

GUEST

I also had a place at Southwark University, Newcastle or Oxford Bricks to do commercial real estate. And at the time I was actually not quite professionally, but I was doing three day eventing very seriously, trying to get into a, a British team training for that. And so it was also a cost thing for my parents and, and how we could do that at the same time.

00;03;22;16 - 00;03;44;24

GUEST

But actually what really sweet it and I'll never forget. And I'm eternally grateful to to this advice. I went for a final interview at the Royal Agriculture College and the head of land management at the time was was, he was leaving, so I think he could probably be a bit more open about his advice. And he said to where else have you got places?

00;03;44;26 - 00;04;09;05

GUEST

And so I listed them. He said, I recommend you choose one of those. I don't think there's like a long term career in or the future of land management is is becoming narrower and narrower. Yeah. So I was quite shocked by that. But actually really good advice. And I told my parents who were quite surprised and actually rang.

00;04;09;05 - 00;04;32;27

GUEST

The person said, no, I, I did say that. And in the end I tell you something. This is close to home. Could do both the sport and study, and it worked out brilliantly and my degree included is actually a sandwich. Yeah. So we had to apply for jobs. And I was very fortunate at the time to get a placement with a pension fund called NPI.

00;04;32;29 - 00;05;01;23

GUEST

And they graced the streets. So I had a year with them and learned so much. I was involved in sales and acquisitions, asset management, valuation, and it was an amazing sort of doorway, to really understanding real estate and from a client side and, what investors were looking for and, but also the life cycle I was in for a short period of time, but I was involved a small team and a lot for that year.

00;05;01;23 - 00;05;22;24

GUEST

And, and I went back in my final year and it's brilliant. And really enjoyed my last year. But it was a difficult time as well when I came out, similar to some people coming out from their degrees at the moment, I do feel for for the young coming through and seeking positions. I was in that position and that is a general melt round.

00;05;22;24 - 00;05;44;09

GUEST

But we had just like written Saint Quintin, Hillier, Baker Hillier Park. I'm showing my age now, tock Z and they, they cut back a lot on graduate intake. But I remember sitting in Hanover Square with my sister and saying, I want to work at JS and I worked at they are the best. I am going to work there.

00;05;44;11 - 00;06;09;15

GUEST

And I didn't get on the graduate scheme, but a role in Western leasing came up, for a data analyst, so I applied for it and that's how I, I started at Jason Witten. And so I negotiated when I took on the role that I would also be put on The Graduate scheme. And so that's how I started my career and got into Jason Witten.

00;06;09;15 - 00;06;12;07

GUEST

So back route, really.

00;06;12;09 - 00;06;25;29

HOST

To growing up. What kind of kid? What you touched on tomboy farming, you know, eventing competitive. Yeah. We typically academic at school. Like what I, I profile yourself.

00;06;26;01 - 00;06;58;02

GUEST

I mean, I was, I was at go believe it. I was very shy when I was younger and I used to throw myself into sport and and I'm working as well. So actually bizarrely ending up in capital markets where you, you, you can't really be shy. You have to be quite a personality. Is it? It just shows that you can grow into that person and go for what you want to do, that it takes a lot of people to help you get a lot.

00;06;58;02 - 00;07;07;04

GUEST

I've had the most, believable help along the way and support and leadership. So. But yeah, I was competitive. I think that's the main thing.

00;07;07;05 - 00;07;14;02

HOST

Clearly worked hard. Right? As well. I'm always right. Probably up early, working late. Do what needs to be done. Yeah.

00;07;14;04 - 00;07;33;22

GUEST

Yeah, definitely. And I think also taking the opportunity the best thing about a sport any sport I think, or anything which keeps you grounded because if you're involved in horse riding or anything to do with horses, you have proper highs and lows. Your your like winning and then you're on the ground in front of everyone. So your prides are completely dented.

00;07;33;22 - 00;07;55;07

GUEST

So it's a brilliant, leveler. Yeah. Exactly. So and you learn to enjoy the big moments and I think that's, that's transferred into my career as well. So you have to be. You know, everything goes right. We know that. So you just need to pick yourself up, dust yourself down and and move on.

00;07;55;07 - 00;08;09;04

HOST

Ride it out. Yes. Next one. Yeah. So you didn't get onto the Jones land watching graduates. Now you managed to get in kind of through the back route far data right. Why do you think you didn't get on that scheme?

00;08;09;04 - 00;08;35;24

GUEST

I think because I wasn't at reading. Start off with a lot of the intake. Reading University was the prime source of of graduates for all the big firms. But bizarrely, Southbank is where everyone now does their postgraduate degree. So I think it. And also there was, as I said, we I came out and we were just coming out of a major recession in the mid 90s as well.

00;08;35;26 - 00;08;49;23

GUEST

So they there wasn't huge intake for graduates. They were just beginning to pick up. So I, I just didn't get on really just unfortunate. But that didn't stop me. Yeah.

00;08;49;23 - 00;09;03;25

HOST

You managed to you managed to another role. Yeah. With and have you always taken a long term view? You thought like, if I can, if I can get into the business, I can then start networking or I can start making some other. Yeah, definitely put myself in prime position to get that seat.

00;09;03;28 - 00;09;25;20

GUEST

And I've always wanted to try, try and get the best if you can, you know, go for it. If you can't then there are other routes, but always give yourself the opportunity to have the best. And I think, you know, James, I was and it still is, you know, a brilliant, brilliant business. And but it really trains graduates.

00;09;25;20 - 00;09;41;22

GUEST

Well you because you have so much opportunity there. There's so much diversity across the service lines etc., that you can learn so much. And that's what I really wanted. And yeah, that's that's why I was so determined together.

00;09;41;25 - 00;09;44;10

HOST

See how long you a data analyst for raw data.

00;09;44;11 - 00;10;09;13

GUEST

So I was a data analyst for about 18 months a 12 to 18 months. But in the meantime, I was working with assistant landlord and tenant department because they obviously looking at using have to provide evidence, help them with the evidence and an amazing person. Call Tony Hartley said, well, you should come and work for me. And I thought, actually, you know, I think that's a good opportunity to diversify.

00;10;09;13 - 00;10;22;16

GUEST

I can learn. And at the time it's very different now. But the rent review clause in a lease was where the valuables for a lot of investments, because it's in five years time, you're expecting rental growth and.

00;10;22;22 - 00;10;23;26

HOST

Upward only rental review.

00;10;24;02 - 00;10;46;03

GUEST

Up with only rental views. But the the wording in those clauses was critical. You know, fit or fitted outs that that term, whether it was 3 or 6 months rent free to get back to your net effect. Really small wording changed a lot of the value within within that lease. So it was it was a natural step actually.

00;10;46;03 - 00;11;16;12

GUEST

So I learned about the Weston office market occupiers requirements, helping me dispose of or or vice occupiers you space and then going into landlord tenant and and writing for the occupier or the landlord on the rent review negotiation. Another thing like know how to negotiate because a lot of the time land or your client didn't really want to go to arbitration is an expensive process, a long process, or to have an independent expert.

00;11;16;12 - 00;11;27;00

GUEST

So they're always keen to to reach an agreement on a rent review and say, you, you know, you like your negotiation skills and, in that environment.

00;11;27;00 - 00;11;31;05

HOST

And so you rotated and you became more formally on the, on a rotational program.

00;11;31;07 - 00;12;02;26

GUEST

Well, I didn't know actually, because I had done a year already, I could then say, well, I need the areas which I needed to to to get further experience. So I went into the asset management side as well for a few months, but then went back to landlord tenant and then I moved across into the city actually, because another amazing person, Richard Mayne, who had the brain of a lawyer better than a lot of law as his unbelievable attention to detail, new law inside and out.

00;12;02;26 - 00;12;36;03

GUEST

And I mean, sir John Plant was he was the only one who advised him to go get great reviews. You know, these videos, he was that he was brilliant. And so I had that opportunity to sit with him, which was amazing. So again, attention to detail negotiations, and also understanding, you know, learning about buildings. What has an effect on value again, the or the physical elements of the building which can, you know, we all know has an effect on, on valuation.

00;12;36;03 - 00;12;37;05

GUEST

Basically.

00;12;37;08 - 00;12;47;27

HOST

If you close your mind about how out of your kind of cohort or appreciate you kind of back it, how what was the company, the gender split at that time? Male, female. And how many people grew up?

00;12;48;00 - 00;13;11;25

GUEST

I mean, it was still there was there was a few. There was a few females, but not that many. I was extremely fortunate. So my first day I sat behind on Kavanaugh. Know this amazing, you know, leading life for all of us in, in the real estate sector. And then, so the associate in my recent leasing team was Madeleine Cosgrave.

00;13;12;02 - 00;13;38;22

GUEST

So I had these two amazing people, amazing ladies supporting me, and who is there to help give advice and say, you know, when I say I want to move to landlord tenant. Matts was like, yes, go and get experience. You know, you need to broaden your experience. Basically. And and again, it's a really important part of capital markets, you know, understand.

00;13;38;24 - 00;14;01;29

GUEST

Yeah. Yeah. For, for your clients. So to did that. And then when I moved to the city I then did a stint in city investment because I did want to move into capital markets. And also I was young, I been part of a big corporate with global corporate as well. I thought, I want to go back, approach. And so I had the opportunity.

00;14;01;29 - 00;14;17;02

GUEST

I applied first for a job in New Zealand, of all places that came up, and it was between me and a guy and, I didn't get it. The the guy got it. And I get it's because at the time I did get it as well. But then.

00;14;17;08 - 00;14;19;02

HOST

The reasons.

00;14;19;05 - 00;14;23;17

GUEST

I basically didn't want a single go go ever.

00;14;23;20 - 00;14;24;24

HOST

Find, you know.

00;14;24;27 - 00;15;00;08

GUEST

He was happy with a single point or a single goal. So fun. It is exactly fun, you know, and actually, it was more beneficial because then this position came up in Brussels and it was it. The Belgium team was, was run by, an English guy called David Randall. He, he's now a grant from LA France is out in Paris and they were seeking, English speaker to basically advise non domestic investors, assist him into Belgium, Luxembourg markets.

00;15;00;10 - 00;15;27;18

GUEST

So I went over there also I so David actually left and ran the moved to Paris and ran the French capital markets team. And I was then Tony Smedley who is now head of Europe. Heinemann was my boss in Brussels and amazing experience, amazing, but very different culturally. I think that was the biggest shock for me was how to learn to network with your new colleagues.

00;15;27;20 - 00;15;46;00

GUEST

They didn't go out for beer after work when I'll never forget after a month, there was a novel, lady there called Soup Picasso, and she was helping on the occupy services side. So we need to go out for a glass of wine. And so we asked our colleagues and they said, well, it's not what we do.

00;15;46;03 - 00;16;01;17

GUEST

We go home, we buy a nice bottle of wine. We go home and drink it with my family. We're like, okay, you know, it's a completely different. But you worked with them, you know, and you create great relationships with them because it's it's you had to learn how to adapt.

00;16;01;17 - 00;16;03;02

HOST

And. Yeah, but yeah.

00;16;03;04 - 00;16;04;08

GUEST

Exactly how you.

00;16;04;08 - 00;16;05;13

HOST

Qualified at this stage.

00;16;05;16 - 00;16;06;19

GUEST
So I had yeah.

00;16;06;19 - 00;16;19;28
HOST

You had qualified and you sent to get sent to Brussels to, to go do capital markets in. Yeah. And deals had you had you always wanted to do capital markets and why. And and if so why had you always wanted to do it.

00;16;20;00 - 00;16;45;26
GUEST

I think I think is naturally everyone thinks that's where the excitement is. And that's where the big news is always and in the press. And I think also you it's you have to learn everything about real estate when you do a transaction. There's so many elements that have to be brought together on an investment. Whether you're advising a, a buyer or seller.

00;16;45;28 - 00;17;04;28
GUEST

And I think that, you know, when I, when I look back on my career and I did leasing, I did asset management ideas on tenant, it all came out all assisted in. And me going into capital markets and being able to advise investors on, buying and selling, basically.

00;17;05;00 - 00;17;12;00
HOST

You how long were you in, in Brussels? Because you were there for a bit and then you came back right to London.

00;17;12;02 - 00;17;40;07
GUEST

So I was in Brussels for four years and an amazing time. I was only actually meant to be there for two years. And I kept, you know, not actually nobody said anything. So I just stayed there and learned so much because I also learned other markets worked very closely cross-border. So we worked with our French capital markets, Dutch capital markets, as I said, Luxembourg and IT because a lot of our clients were obviously cross-border.

00;17;40;07 - 00;18;14;00
GUEST

So the German funds may M&G, a union. But at the time we were also advising a lot of Irish were investing in Europe at the time and Blackstone and other big P as well. So great spreads of of investors. And I think that's really where I learned my trade big time. It was tough time. Don't get me wrong, it wasn't easy being a English girl in a foreign country then in a new language, as I said, different culture, different, you know, structures, everything.

00;18;14;00 - 00;18;34;28
GUEST

So stamp duty in Belgium is 12.5%. So majority of transactions are through buying the shares of the holding company. So I'd never done that before. I had to learn. I learned about a balance sheet but values a lot about CGT, all that essential information.

00;18;34;28 - 00;18;37;25
HOST

Yeah. You don't want to leave out of Europe. Let's have it at the end.

00;18;37;25 - 00;18;48;19
GUEST

It's not. It's that. And so you had to advice about that side, not just the real estate as well. Compared to here obviously it's more direct investment.

00;18;48;21 - 00;18;55;25

HOST

So what was the kind of the catalyst and why did you move back to London. He he's talk to me about how and what role he moved into.

00;18;55;27 - 00;19;22;08

GUEST

So unfortunately personally my father was terminally ill and I need to get back to the UK. It was difficult because actually my boss had left, in Brussels and so they were not very keen for me to move back to the UK. They needed, me there really. So I didn't know what to do. And I spoke to a friend who is working at home cooking stage and he said, oh, you should speak to James Beckham.

00;19;22;08 - 00;19;54;00

GUEST

He who runs our city investment team, he's looking for somebody. And so I met up with him and he then offered me a job, which is brilliant and very, you know, from his perspective, quite risky because I was coming back. I was quite open, you know, my father was time, you know, but he was rewarded. You know, I came back it was perfect timing for German closed end funds actually, coming into the the London market and so advised on some big transactions in, in the city.

00;19;54;03 - 00;20;01;01

HOST

So what were your, your relationships you built up in Brussels. It's actually not an advise them. No. It's almost like a continuation in terms of.

00;20;01;04 - 00;20;12;20

GUEST

Yeah. So again I was I was advising cross-border investment into the into the city market. So very much the German closed and the funds at the time they were the big, big buyers.

00;20;12;23 - 00;20;19;01

HOST

And so how did your kind of role evolve or did you just stay with a kind of a city city focus during your time?

00;20;19;03 - 00;20;51;04

GUEST

And no. So basically what happened? The market got too hot for a lot of the cross-border investors. They couldn't pay the prices of hedging costs that cross yields coming in. So I then started doing a lot more across Europe and helping the teams across Europe, because the yields hadn't moved in quite so, so quickly. And I was then asked to run the pan-European team and so moved across from the city to the West End.

00;20;51;04 - 00;21;09;08

GUEST

And I had a team about six of us, but we literally were helping our teams on the ground with advising clients on either sourcing sales mandates, pitching, buy side anything that we could we could assist our, the specialists on the ground. Really?

00;21;09;15 - 00;21;09;24

HOST

Yeah.

00;21;09;25 - 00;21;18;08

GUEST

Taking a more client driven role, client management role then then actually truly.

00;21;18;10 - 00;21;19;20

HOST

Sourcing the deals. Yeah.

00;21;19;20 - 00;21;25;11

GUEST

Pitching the data didn't stop me doing that. But yeah, that was the main driver.

00;21;25;13 - 00;21;46;03

HOST

And so your role evolved during that period from being very heavy in terms of doing deals and pitching deals to being still doing that kind of managing clients and strategic relationships and getting to know what their requirements were and then allocating it across the UK or Europe. Yeah. So to the relevant associate or partner to be able to, to execute or help them fame.

00;21;46;08 - 00;22;06;19

GUEST

But I'm still pretty involved in those transactions because the client actually likes you being involved. You have the relationship with the client. So they're still going to be asking for your advice on that. Yeah. And that's why I've been very fortunate about where I have transacted across Europe, because my clients have taken me there as well.

00;22;06;21 - 00;22;17;23

HOST

You kind of moved, to Jones Lang after, nearly six years. Right? How did how did that come about? So, see what, Jones and Watson. Kingston. Yeah. Back to partner.

00;22;17;29 - 00;22;18;16

GUEST

Right back.

00;22;18;19 - 00;22;20;17

HOST

Then. Jones domicile.

00;22;20;19 - 00;22;48;13

GUEST

So, King size were acquired by by Jones Lang. So. And it's very important to remain friends within this, within this business. And so, yeah, rejoins a lot of my old colleagues, but I moved into the European capital markets team, and I was my focus was, I led the European logistics capital markets across. So again, very much client focus but working with the specialists.

00;22;48;13 - 00;23;07;24

GUEST

And then I went to have my, my second chance and came back and decided that I would also take on some more roles and assist on growing the by side business at the time. And I was also country focus. So I focus on Belgium, Luxembourg to drive those markets for for Jones, Lang.

00;23;07;27 - 00;23;12;26

HOST

Is again someone listening to this. Can you just explain the upstream buy side and sell side.

00;23;12;29 - 00;23;41;23

GUEST

Yeah, absolutely. So on the sell side you are mandated to advise and own on bringing the, the, the asset to market. What price it should be brought to the market at, who the investors it will be suitable to and what happens? It's a it's a process. So you you start marketing. You probably market for about 4 to 6 weeks depending on what asset is, is or what might be a portfolio.

00;23;41;23 - 00;24;09;24

GUEST

But 10 to 4 to six weeks process by which time you, allow potential purchases to carry out some initial due diligence might be looking at the lease, some technical due diligence, things like that, and then you would be asking for them to come forward and make an offer, an initial letter of interest, basically detailing pricing. A do they require debt which is quite significant or all equity?

00;24;09;24 - 00;24;32;01

GUEST

What is the source of their equity timelines? How much do you additional due diligence, who their other advisors are, things like that. And then you would advise your client who the best purchaser is for that asset. And then you would give them exclusivity. And that would be again a certain amount of time when they then carry out full due diligence.

00;24;32;01 - 00;24;53;04

GUEST

And that's where the money comes in. So it costs a lot of money for, for anyone to go through that process. But it's always about a deal certainty on a, on a sales mandate. And, and then hopefully it comes to a successful conclusion by side. You're actually advising a potential buyer on that asset which has been brought to market.

00;24;53;04 - 00;25;20;17

GUEST

You're saying this is the price you should be achieving. These are the timelines. You should probably be expecting to go through this. The acquisition process. These are the best advisors to be part of the team. And then actually usually drafting their offer letter to make sure you you meet the the criteria which the vendor for, you know, the selling agent is expecting a lot of communication with the selling agent as well.

00;25;20;19 - 00;25;33;23

GUEST

On expectations from the clients and saying, if you can get, you know, a little bit of the edge out of them on the price pricing and then of, say, making enough and hoping that that you're successful, successful,

00;25;33;26 - 00;25;36;17

HOST

And so on the sell side you retain to sell that, correct?

00;25;36;17 - 00;25;36;28

GUEST

Yeah.

00;25;36;28 - 00;25;43;15

HOST

On the buy side, you're not retained net but you if you are successful, you will get a fee correct.

00;25;43;17 - 00;25;45;07

GUEST

Yeah. Yeah. It's actually it's actually.

00;25;45;07 - 00;25;47;10

HOST

Work across both buy side and sell side.

00;25;47;10 - 00;25;48;27

GUEST

Famous sessions very much.

00;25;48;28 - 00;25;52;18

HOST

You have a preference for one or the question.

00;25;52;18 - 00;26;17;18

GUEST

Well sell side security of a fee or see that's that's what a lot of us want is secure a secure transaction as well. So you do get paid by sides is is difficult. It's really difficult. But you do get rewarded. So usually if you do buy an an opportunity for an ABC then might win the alternative services attached to that asset as well might be property management.

00;26;17;18 - 00;26;43;07

GUEST

The leasing. You might be part of assessing on the due diligence such as a technical diligence, environmental surveys, etc.. So there's quite a lot you can assist that client with. And then if you do get the property management or, help advise that client on the, the, the holding of that asset going forward. You hopefully then when the sales mandate as well.

00;26;43;09 - 00;27;11;12

HOST

So see the whole lifecycle a few years later once they introduce their business plan and then what kind of exit that it's actually. So you regional director European capital markets responsible for the region. Yeah. Do you ever think about wanting to move client side or moving to the other side of the table, or was it a case I often oh is it oh is it a case of, you know, I've done however many years that I'm doing this.

00;27;11;12 - 00;27;19;14

HOST

I absolutely love it and I'm good at it. And yeah, I like the people that I'm working with. Yeah. Part of you want to just jump over the fence?

00;27;19;18 - 00;27;40;06

GUEST

Very much so. I mean, and it's a huge frustration for us. And on the advisory side that if we do do a fantastic deal and, we are literally just the beginning of that deal, we, we don't enjoy the, the rest of it. It's, the upside. I mean, that don't get me wrong, I still see lots of downside sometimes as well.

00;27;40;06 - 00;28;12;20

GUEST

But that's I think that's that's often be my frustration, without a doubt. And I think one day that will change, you know, and I'd like to get a client side and have that opportunity. Most of my career I've, I've loved the diversity of the advisory side. It's you literally learn something every day. Nothing's nothing's the same. New asset will come in front of you or there's a new client wanting some help or a business looking at asset leaseback.

00;28;12;20 - 00;28;22;09

GUEST

There's there's so many different aspects on the advisory side, I think that's probably what keeps us entertained. Should I say keep.

00;28;22;09 - 00;28;32;25

HOST

The show up, stay up and yeah, up with with the with the market. So you 2015 left Jones Lang LaSalle and you moved, victorious.

00;28;32;25 - 00;28;33;24

GUEST

Yeah. Victorious.

00;28;33;24 - 00;28;36;12

HOST

So how did that come about?

00;28;36;16 - 00;28;59;13

GUEST

I was tied in. I was very fortunate to be an equity partner, so I was made an expert on King search. One of the first and youngest females to be my next partner, which is probably one of my biggest sort of awards for myself, should I say, to reach that goal? Because there is. It's not easy. And so but I was I was tied in from the the sale to Jones Lang LaSalle.

00;28;59;16 - 00;29;22;23

GUEST

So I had to stay there for five years. And two colleagues, mine, who I worked with at King Search and Jones Lang and set up a business called victorious, which, they say, would you like to to come and join us and that Lisa, via a pan-European advisory business. So we were advising Isaac Ramsey Calkin. So we carry, primarily certainly SPACs across across Europe.

00;29;22;26 - 00;29;48;10

GUEST

And then I got approached by an old colleague who is working at GBA said, we need help growing the European capital market side. Would you be interested? And it was an opportunity to go back and work with him again, because we worked at King Search and Jones Lang and he'd moved there. So then then took on this, this role at GVA now X and yeah.

00;29;48;13 - 00;29;48;25

HOST

Quick.

00;29;48;25 - 00;30;22;28

HOST

One from me. If you haven't already subscribed or followed this show on the podcast or app where you listen or watch, please do. It takes 10s and helps tremendously. I've got really big plans for people property plays podcast, and that one small action really, really helps grow the show and the presence and enables us to keep doing what we do.

00;30;22;29 - 00;30;32;15

HOST

So if you haven't already, please follow or like on the platform you watch or listen to. Thanks so much.

00;30;32;18 - 00;30;45;02

HOST

So, we what what is a net lease transaction? There might be people who listen to this podcast and listen to it for a while. Who would have heard the episode I did with Carolus Harry. Yeah. And John Strom of Blackrock.

00;30;45;02 - 00;30;45;13

GUEST

Okay.

00;30;45;13 - 00;30;53;06

HOST

So, for those of you listening, if you want to kind of a deeper dive over the. Okay, he's about to tell me, go and go check out those episodes if you really want to.

00;30;53;07 - 00;31;20;09

GUEST

Definitely that they're the pros without a doubt. We're obviously helping source those type of opportunities we have. So within our business, if you're a big corporate, you usually have an occupier services side of the business. And also what helps is we have a great US business where certainly SPACs are really common, really, really common. And it's a it's an opportunity, a financing for for businesses, release equity within the business in particular.

00;31;20;11 - 00;31;54;17

GUEST

And difficult markets like now where interest rates and costs and everything have exploded for the business. So it's basically owner occupiers and they will agree to certainly Spac. So it's usually a long term lease, long term triple net lease, which means there is the the occupier has full responsibility of repairs and insurance of that that property. So the the actual net income is really what is on the paper which is proposed.

00;31;54;17 - 00;31;56;28

GUEST

There's very little risk.

00;31;57;01 - 00;31;58;07

HOST

So it's like a credit play.

00;31;58;12 - 00;32;00;27

GUEST

It's it's actually a 20 per day. It's actually.

00;32;01;00 - 00;32;02;14

HOST

25 years of.

00;32;02;16 - 00;32;03;09

GUEST

Exactly that.

00;32;03;15 - 00;32;10;27

HOST

And it gives the the owner occupier an ability to have a, a cash a, then sell their, sell their real estate, but still stay there.

00;32;11;04 - 00;32;36;16

GUEST

So they've got security of the real estate, which is usually critical to their business. But they're releasing a huge amount of equity, which they can then invest back into the business. And also a majority of them are not real estate professionals. So for them to be an owner, occupation of a big piece of real estate, which has a lot of equity tied up in it, it's a great opportunity for them to to release an equity resell.

00;32;36;16 - 00;32;37;07

HOST

Part of their business.

00;32;37;07 - 00;32;43;18

GUEST

No, not at all. And I think we're beginning we're beginning to see that a lot again. And these markets.

00;32;43;20 - 00;32;56;29

HOST

So you did that for a period and then you joined an old colleague to your point earlier about maintaining relationship is really important. Yeah. To go to to JV. Yeah. And what was your role and remit at GVA.

00;32;57;02 - 00;33;22;18

GUEST

So I was asked to really help first of all grab the European caps markets. But actually then my neighbors and young acquired GVA, I only came on as a consultant to start with. And then if someone asked me to be full time to help grow the European business as well. So that's past my role on the European Executive Board is working out where we sourcing businesses, which might be interested in.

00;33;22;18 - 00;33;25;01

GUEST

And joining us. Yeah.

00;33;25;04 - 00;33;29;26

HOST

And then I don't know everything on GVA. Right. Yeah. She's think you probably joined. Yeah.

00;33;29;28 - 00;33;54;06

GUEST

So I think I think actually young have been one of the biggest, fastest growing advisory businesses from, from its initial concept. So yes we are Canadian HQ and they started and then I think it was the mid 1970s. So you know it sounds an old business, but actually in real estate terms it's not that all the business and they've literally we've got 5000 people across the world.

00;33;54;08 - 00;34;21;01

GUEST

So from a very small Toronto office originally. And that's not okay. So we're we're really we I think a lot of advisory business has been through having their own issues. We all have. We've had not just our clients are having issues, but having our own with, interest rates and transaction volumes being literally nothing. For the past 18 months, we've been through a restructuring.

00;34;21;01 - 00;34;28;17

GUEST

We've come out stronger, and we're back on the acquisition and the growth front again. So, exciting really.

00;34;28;19 - 00;34;36;15

HOST

So can you just tell me a little bit more about what your role in your remit is, and what you're responsible for, what you do day in, day out?

00;34;36;18 - 00;35;10;15

GUEST

Yeah, it's quite a bit. So I'm based in London. And to be honest, pre-COVID I was probably traveling every other week, minimum. Post-Covid, I'm probably once a month maybe, or perhaps twice a month pushing it, but once a month. So and that's going out even to see clients or see my colleagues on the ground meet potential businesses. People to recruit, but also seeking opportunities or advising, going to a property and saying you need to do a bit more work on it, a little bit more, well, a bit more management.

00;35;10;17 - 00;35;33;14

GUEST

Now's not the time to sell it. Or saying, you know, to occupier and send me spec advising them. So as I said, it's it's very varies. It really is. So I've got a small team. So my team based in London but we work with he spend so down my main guy associate, he spends half his time in the logistics UK capital markets team.

00;35;33;17 - 00;35;49;11

GUEST

But then he's with me and so he helps that link also between our teams in Europe working on industrial logistics deals with the UK because as we know, a lot of it's a majority investors across cross-border now.

00;35;49;13 - 00;35;52;26

HOST

And a lot of them are based in London or based. I don't know what is queued out of London.

00;35;52;27 - 00;36;08;03

GUEST

Exactly. Yes. Yeah, exactly. So the majority of the decision makers are here as well. So it's important that you are near those decision makers as well, whether they're thinking about buying or selling and and that's part of my role too.

00;36;08;05 - 00;36;14;26

HOST

And do you divide the team by asset class or by geography or how do you kind of segment it?

00;36;14;28 - 00;36;29;19

GUEST

I think it's more we're quite small, so we're not quite big enough to be sector specific. We're going in that direction, definitely. But at the moment we are more regional than. Yeah, basically.

00;36;29;22 - 00;36;46;20

HOST

And it's obviously you touched on it's been a challenging 18 months. Couple of years. Yeah. Oh, Trussonomics have you seen. Yeah. Well what what capital is there or you know, where do you see the pinch points in terms of deployment and what are the reasons why volumes are so low?

00;36;46;22 - 00;37;15;01

GUEST

I mean, I think a majority of us who have been through the GFC or going back a few more years, some other recession, I think it just shocked everyone how quickly the market stopped. And with interest rates going as quickly as they did. And, but we're in a different position post GFC because everyone's there's

it's not as if there's no money in the markets.

00;37;15;01 - 00;37;44;12

GUEST

The banks are well capitalized. Investors have have equity. And I think that's why also we're seeing a lot of people stop rate, see where pricing is getting to. Banks are also we thought there'd be more distress. But we're not seeing that because the banks are willing to refinance investors, are definitely preferring the opportunity rather than bringing something to the market and a difficult market when I'm not going to get best pricing.

00;37;44;14 - 00;38;09;07

GUEST

So that's that's been that's stopped a lot of opportunity coming to the market. But we still are. There's still some institutional funds who have to sell that. The open ended funds, for example. And that's not just the UK ones, it's the German ones as well and the French etc. they're they're having to they've got redemptions. So open ended funds for anyone who's listening.

00;38;09;07 - 00;38;27;08

GUEST

You have, you have a closed ended fund or an open ended fund, a closed ended fund. You are invested for a period of time. Then that fund comes to the end of its life and then you exit from the proxy. Whereas an open ended fund, you you have the ability to put money in and put money out whenever you want to.

00;38;27;11 - 00;38;56;24

GUEST

There's no timeline on it. And so with real estate and pricing moving out so significantly, that's being quite a few redemptions. And I think 2023 was was the year of transition for everybody with the interest rates and inflation and everything this year, year of repositioning, I think we're going to see a lot of funds exiting offices, reducing their exposure.

00;38;56;27 - 00;39;21;15

GUEST

So although we're not seeing it now, that will be first sector majority of the product coming from. We've seen some logistics being sold. And but that's the most liquid asset class at the moment as well. So those who need to sell unfortunately have to sell those, those assets. But I think we're, we're seeing doubling up of logistics.

00;39;21;15 - 00;39;36;08

GUEST

So it's best and shares where we're always hearing that. And that's where the investor focus is. And that's from across every investor spectrum. But the cool money isn't there at the moment in the market. They're still working out,

00;39;36;10 - 00;39;42;08

HOST

Their position to hit their returns. Yeah, because core return holds about 6%. And when you get to five and.

00;39;42;10 - 00;39;43;29

GUEST

Six today, 6 or 8%.

00;39;43;29 - 00;39;52;07

HOST

Yeah, 6 to 8, you're getting five and a half in the back. Yeah. Yeah. To allocate. That's real estate with all

the risks associated to it. It's quite quite a challenge.

00;39;52;10 - 00;40;23;08

GUEST

It is, it is. But then that's why I see some opportunity as well for as a bit of a price dislocation between on those core assets and in particular on logistics, super Prime or Prime logistics, brand new. There's such a lack of supply still. Vacancy rates are so low there's huge rental growth opportunity. That's going to continue until building starts again.

00;40;23;10 - 00;40;37;01

GUEST

And if the the core money's not there, it's by product. Then there's an opportunity because less competition. So I think that it's to me as an opportunity CSM flight to prime product.

00;40;37;04 - 00;40;48;24

HOST

And just to square that off, you mean in terms of people being able to buy more value at developing or opportunistic type top tier? What what development of that and then exit it to a.

00;40;48;26 - 00;40;58;16

GUEST

Well, I think actually just standing existing investment at the moment. So let's, let's assets so brand new.

00;40;58;18 - 00;40;58;25

HOST

For.

00;40;59;02 - 00;41;16;02

GUEST

Fully less because you haven't got the call money there to buy it because a developer doesn't want to sit on an asset which is completed. Basically, he knows he's got other projects he needs the money for. So he will be looking to sell those and they're slightly in distress because they need to.

00;41;16;04 - 00;41;31;13

HOST

See to offload. Yeah. Oh yeah I know. So I put and where and is there a particular is there a particular location where there's capital coming in from the US. Is it the Middle East, is it the Far East? Is it it Europe or are you.

00;41;31;13 - 00;41;53;17

GUEST

Seeing this across the board? Really? We're saying. Yeah, us. We've seen French money, come in and Middle East and it's, it's it's quite attractive to them at the moment with the yields being higher and there's still some Asian investors looking as well. We saw ups in Old Bailey. There was an Asian investor under offer on that from Create Money.

00;41;53;17 - 00;42;11;22

GUEST

But going back to banks then came and offered them a great term sheet for for refinancing financing that. So they took it off market. And what we'll actually we'll do that for a little bit more money. And and with rates market two three years time when market will hopefully be better.

00;42;11;24 - 00;42;25;24

HOST

So in your time you you would have worked with worked on the other side of the fence hired. What are the

kind of the traits that that separate top performing investment agents to to the rest?

00;42;25;26 - 00;43;03;03

GUEST

I think I like somebody to be entrepreneurial or think outside, but I'm to say but and be passionate. I it's you got to you got to want it I think and there's it's a it's a question. It's try and pinpoint exact traits but you can you can usually tell from across the table whether somebody has got a passion for it and their ideas and their willingness to do something, out of the ordinary.

00;43;03;05 - 00;43;06;00

HOST

They a deal. Yeah, yeah. So with deals.

00;43;06;04 - 00;43;31;13

GUEST

It's so it's really, really understanding your client is obviously critical because if you don't understand your client, you can't help them. You can't source the opportunity or best advise them about when to sell their property, etc.. So client management is critical. And so if, if people if somebody across the team saying, well I'm saying who, who can you bring?

00;43;31;16 - 00;43;50;05

GUEST

He bring, which clients can you bring to the team. And if they can't really real offer numbers of clients then I'd be concerned because how really close, how much they really understand that client for them to be able to bring them, but they come with them basically.

00;43;50;10 - 00;43;52;19

HOST

Hence your point around trust relationships.

00;43;52;19 - 00;44;20;28

GUEST

It's critical networking as well. They have to have a strong network because as I said, it's very different from being client side where you are much more specific in your role. When you're your advisory, you have to have a lot of things going on to be honest, because if you're by side in particular, it's not deal certainty. So you need to make sure that you've got lots of business potential business on to make one of them.

00;44;21;01 - 00;44;30;05

HOST

One of them drop. Yes. You worked on ten things for for two of them to come off. Yeah. It's that hopefully, hopefully it's means that there's a kind of a bit more of a numbers. It is numbers. Yeah.

00;44;30;08 - 00;44;31;09

GUEST

Yeah.

00;44;31;12 - 00;44;53;27

HOST

Have you in this. Probably got an obvious question. Have you seen a a big shift in terms of the way the, the buys and sellers underwrite deals from a technical perspective? And what does that evolution mean. Back of the fag packet. You seems to like overly engineered and really sophisticated financial models.

00;44;53;27 - 00;45;23;22

GUEST

So yeah, I think the GFC brought in a much more professional approach to, to underwriting. And we really need to as a business, as a profession as well, because we have a lot of investment bankers coming in and looking at real estate for that hadn't done so much before because of the low interest environment. Don't forget, also, we I'm jumping around a bit, but very quickly coming out of an abnormal periods back into a normal periods of interest rate environment.

00;45;23;28 - 00;45;52;01

GUEST

But that's why real estate was attracted because debt was so cheap. But it we as a as a surveying profession. Yes we we had to we had to match those investment bankers and how they approached their analysis of an opportunity and structuring and everything. So cash flows, if there's anybody wishing to go into capital markets where it's client or advisory size.

00;45;52;03 - 00;46;01;22

GUEST

Okay. Do I, cash flow course, then how to do an Excel spreadsheet is critical modeling.

00;46;01;25 - 00;46;14;09

HOST

So upskill le develop the technical skills knowledge makes you a better agent. Can we talk about female representation in capital markets because it's woeful right.

00;46;14;15 - 00;46;42;12

GUEST

Yeah I say it's very difficult topic to talk about actually. Yeah it's it is it's I and I can't quite I have my, my you know I lost my obviously have my own view but it is it is really disappointing how slow the change is happening within the advisory side of, of our business and women coming to capital markets.

00;46;42;15 - 00;47;11;09

GUEST

The big change I have seen is, is on my client side, quite often. I am opposite an amazing female, but I it's it's not the same and even clients complain to me that's not enough. Female representatives on on transactions and we have to change it. We have to. If I can do anything to help in that happening, I'm here to do it because it's so disappointing.

00;47;11;12 - 00;47;23;19

HOST

And is that in terms of the female representation on the client side, are you seeing that from junior analysts all the way through to very. Yeah, yeah, yeah. Executive owners. You're saying that across the board. Yeah.

00;47;23;26 - 00;47;30;07

GUEST

Yeah I mean I think it's this don't get me wrong. It's they're still not that side that needs to happen.

00;47;30;07 - 00;47;31;12

HOST

But it's still not perfect.

00;47;31;12 - 00;47;33;06

GUEST

Yes, but that's further ahead.

00;47;33;06 - 00;47;33;22

HOST

Yes.

00;47;33;22 - 00;47;35;18

GUEST

Without a doubt about out.

00;47;35;20 - 00;47;43;28

HOST

Why do you think that that is from an investment agency perspective?

00;47;44;01 - 00;48;08;05

GUEST

It's got to think about my answer. I think it's very much a culture perspective. I think we've I mean, I've been doing it for a long time. So I'm used to the culture in which you have to work in is very competitive, as I say. You know, there's it's it's a tough environment. It's a good company in a competitive environment.

00;48;08;08 - 00;48;31;19

GUEST

You're going to get different personalities and it's learning how just to manage those personalities. And once you do that, you'll fly. I know it sounds simple and you'll always whichever area you work in, you're always going to get somebody who might might be more difficult to work with. But if you want to do capital markets, give it a go.

00;48;31;21 - 00;48;49;14

GUEST

Don't let something, just one thing put you off. Really give it a go. Because it is well worth it. It really is. But I think it does go back to culture within a team, within a business. And that's where it needs to change.

00;48;49;17 - 00;48;58;13

HOST

And it's not because you can be flexible. If you need to be flexible like that, there is there is no need to be, 24 seven.

00;48;58;15 - 00;49;21;21

GUEST

Not so much. I mean, historically, there was this perception. Don't get me wrong. We had to be, and when I came back from having my second child, I had to negotiate. How often I was able to work and, or where I was able to where it wasn't, wasn't because there was still this perception of you. You can't work less in four days.

00;49;21;21 - 00;49;49;10

GUEST

And capital markets, it just doesn't work. Well, it does. And it can. It just it if you can be given that flexibility, then I'm sure you will make it work. It's just having the option of that flexibility. And I think it has changed post-Covid as well. That has been a big game changer, I'd say, and flexibility. People come into the office and say it's all that.

00;49;49;10 - 00;49;54;23

GUEST

It's helped a lot, but it still needs further help. Resistance.

00;49;54;27 - 00;50;16;13

HOST

What can what can we as an industry do to to to help promote that, reduce barriers, blockages? Yeah. Open up. Yeah. Female talent to be able to progress within capital markets and progress as far as a what how and what can of people listening to this perfectly do.

00:50:16;15 - 00:50:45;04

GUEST

So from, from, from a client perspective. I think if you're asking for somebody to pitch for a sales mandate, I think you when you look at the team sitting opposite you, is it the same? Is your team? Does it reflect your beliefs, how you see a balanced team? You're going to get best advice. And I think when they start questioning that then and say, well, you get this mandate because you're not a balanced team.

00:50:45;04 - 00:51:02;04

GUEST

And I don't, but I don't want a female colleague just to be put on that team to, to provide some balance, but then actually not be part of that team. That is the other thing. So it's it's really difficult.

00:51:02;08 - 00:51:07;20

HOST

It's challenging. Right. But it's really difficult because you know, there's the other org which is, you know, best person for the role.

00:51:07;21 - 00:51:08;11

GUEST

It's actually.

00:51:08;11 - 00:51:23;19

HOST

That. And so you don't want to be bringing people into situations because of tokenism or because of representation. Yeah. But it's always like trying to get in earlier, whether it's identifying strengths or, you know, giving people the platform to excel.

00:51:23;21 - 00:51:46;27

GUEST

Yeah, I think it is that I think it needs a proper I think we need more leaders to say, right, come with me. I'm just bring them through. I think that that's a you know, I was very fortunate in my career. I had these amazing male leaders who, well, thankfully saw something in me that they wanted to to nurture and encourage.

00:51:46;27 - 00:52:07;29

GUEST

And we need more of that, really. And there are lots in our business who who do that. There are some amazing male colleagues who do that. But we need more. We need them in particular transactions to help nurture. They have their daughters as well. So think of it as bringing your daughter up through. It's another way.

00:52:08;02 - 00:52:15;09

HOST

And there's there's there's a number of different groups from these Anna Johnson and Alexia Baden-Powell. I've got women in real estate when.

00:52:15;12 - 00:52:15;27

GUEST

Yes.

00:52:15;27 - 00:52:24;11

HOST

Ladies in real estate. Do you know really that's why that will decline? Yeah, exactly. It's. Yeah, there's lots of platforms and networking.

00:52:24;11 - 00:52:55;18

GUEST

Join them all. Join them. I'll be there. Phenomenal, phenomenal. And again it's great networking. A lot of them do really good training as well. Like diversity talks. We're going to say we're mentors. We're taught real estate. They're phenomenal. And they do panel training. They do presentation training outside of your your business. So please I strongly recommend, anyone wanting that kind of experience to join, join all those platforms.

00:52:55;18 - 00:52:57;24

HOST

That CPD you play their network.

00:52:57;26 - 00:53:00;25

GUEST

Exactly. Yeah yeah very much.

00:53:00;25 - 00:53:29;16

HOST

That's conferences that it's obviously been a challenging 18 months, two years, 12 months as it were. It feels like and certainly some of the commentary coming out of MC recently, it feels like I don't know with this Thursday night, you know, we kind of turning the corner. We don't want to talk too soon. Yeah, but is there talk of a bit of a recovery on the horizon, and if so, which European markets, are going fast and and who's behind?

00:53:29;19 - 00:53:52;11

GUEST

I think most people think we're at the bottom of the market. I think so if you are expert. Last year it was pretty hideous and I don't I'm just wondering, Michael, when's when the market going to improve. And the I think a lot of us went there with positivity. But I actually came back pretty negative. But I think that was probably because the German market's really been suffering more, perhaps the.

00:53:52;11 - 00:53:56;02

HOST

Most head in the sand. Yeah, a lot in German in August and pretend.

00:53:56;09 - 00:54:25;06

GUEST

But they have a very it's very different structure in Germany how they value. And I approach it. But I do think that we will see more liquidity and more opportunity there because post GFC pre GFC it would have been 80% domestic money, 20% of cross-border money. So international money investing in Germany post GFC, I would say it's probably 5,055% domestic so that there's much more of a balance there.

00:54:25;08 - 00:54:57;18

GUEST

So you've got international investors looking at their markets, a much more umbrella level and therefore making it more liquid. And looking at rebalancing their portfolios on a global level rather than just on a individual country basis. So going back to where we see the the the most, the quicker recovering markets is. Obviously the UK is the most transparent and liquid market still I would say in the world.

00:54:57;25 - 00:55:26;09

GUEST

So, we're beginning to see, grassroots coming through. I think the London market, the, the, the volumes are up again Q4 2022 and we've seen some some more transactions again this first quarter. So that's giving people some confidence. And I think the second half of this year we're really going to see some more, more deal deals come through as people are more confident about where the market is.

00:55:26;11 - 00:55:50;01

GUEST

Also the, the potential interest rate cuts. We as a have seen that will happen in June. So and I think we all are saying we need that to happen to to help. And then moving across Europe. The Netherlands is really, really transparent market is very international as well. So but the issue they have their stamp duty was 10.4%.

00:55:50;04 - 00:56:11;23

GUEST

And that's on page five shares. And so I actually have to say so that is really having an issue now on that market that was brought in the 1st of January last year. So really great timing for going for 8%. And number two an offset France. So Paris is its own market, but that is still performing pretty well and sector specific.

00:56:11;23 - 00:56:42;29

GUEST

I think a lot of focus will be on industrial logistics in the French market and the German market actually really across the whole sector, because there's very little supply coming to the market, therefore experimental growth. And then we don't expect that the new supply to change quickly because of interest rates and inflation for roads, etc.. So, that even there's demand for that as whether it will actually come to fruition, the opportunities will, will come.

00:56:42;29 - 00:57:08;12

GUEST

But if I it's, it's always a wave. So we always used to say that the continent was six, nine months behind the UK. So if the UK is going to be we're beginning to see some recovery second half of this year I would expect end of 2020. First half, 2025 was a lot more on the continent coming through as well.

00:57:08;15 - 00:57:10;00

HOST

It's a home mentality, isn't it?

00:57:10;04 - 00:57:11;10

GUEST

It is a mentality.

00:57:11;11 - 00:57:14;27

HOST

Real estate world that we're in. Yeah, maybe if you think players.

00:57:14;29 - 00:57:31;17

GUEST

This is where liquidity is as most liquid markets. And as I said, the UK is still the most liquid. I mean I did a big deal in the city. It took me a day, a day, a week to to buy a 280 million pound building a week.

00:57:31;20 - 00:57:32;17

HOST

Wow.

00:57:32;19 - 00:57:36;26

GUEST

So that's how quickly you can do a deal in the UK.

00:57:36;29 - 00:57:39;03

HOST

Whereas in other markets I can tell you.

00:57:39;05 - 00:57:49;21

GUEST

Exactly, because we're such a professional real estate market in comparison. So that that goes down to the Land Registry, etc..

00:57:49;24 - 00:57:54;05

HOST

Tottenham logistics, regional offices just living come in.

00:57:54;05 - 00:58:33;24

GUEST

Oh look know lending as well. Yeah. So regional offices I think if you're brave great opportunity in particular of the prime grade-A assets again in the future. It's going to be such a limited supply. And it goes back to sustainability and ESG requirements, not just of investors, but occupiers. They will be flying to quality. And if there's not the supply of grade-A buildings in Birmingham or Manchester or Glasgow and Edinburgh, that and you've got the one building which makes those apartments brilliant.

00:58:33;26 - 00:58:36;11

GUEST

Huge rental growth factor quality.

00:58:36;12 - 00:58:38;05

HOST

Yeah. Hospitality that amenities.

00:58:38;06 - 00:59:10;24

GUEST

Exactly. Yeah. But I mean it's a tick box. You know we say that occupiers needs to to provide the best environment to keep retain talent etc.. And investors got to, to have those types of building that, you know, may also stay there. So Spain, I'll say the word sustainability requirements because it's they're having now under pressure from their own investors rather than under pressure from their own investors too, that they meet those, those requirements.

00:59:10;27 - 00:59:15;28

GUEST

And that's not going to change. It's still at the forefront for for a lot of owners and of course, and.

00:59:15;28 - 00:59:18;23

HOST

So there's a massive opportunity with that way of coming through as well.

00:59:18;24 - 00:59:27;02

GUEST

Yeah. So but that's where the value add opportunity is as well is to bring those round to green residents back in.

00:59:27;10 - 00:59:42;19

HOST

We'll look it. Patty, you've had a phenomenal career. You've probably the trends time and time and time again, to do a 250 million pound deal in a week is is not down. To just, you know, good teamwork, a good teamwork, but also teamwork.

00:59:42;25 - 00:59:43;23

GUEST

Makes the dream work.

00:59:43;23 - 01:00:05;29

HOST

A lot, a lot of experience and credibility and trust from all those relationships that you've built up and respect over the time you've been doing this. But a question that I ask everyone who comes to the podcast, as a, as a closing tradition, is that if I gave you 500 million pounds worth of capital, further, what property and which place right now would be allocating that?

01:00:05;29 - 01:00:12;10

GUEST

I'm sitting on two fences, actually, I'm a single person. If it was just my five 500 mil.

01:00:12;13 - 01:00:15;08

HOST

Year hacking family office, Capital Chapel.

01:00:15;10 - 01:00:45;26

GUEST

I would be selfishly going back to my FA roots, okay? Because I we are concentrating so much on energy security, we are not concentrating enough on our food security. And I would be buying up prime agricultural land and saving it from being made into housing, to be honest, because I think cities should be going up, we should be going out and we are going to reduce, food security by removing all the agricultural land.

01:00:46;01 - 01:00:48;25

GUEST

And it's criminal in my view.

01:00:48;28 - 01:00:50;13

HOST

So rewilding is our.

01:00:50;13 - 01:01:13;12

GUEST

Enduring, not just with no. Oh, well, yes. No. If it depends what type of land it is, you know, prime agricultural land should be used for agricultural, you know, producing food. So but if it is scrubland, then. Yes, you know, use it for a wee while adding definitely with some sheep and cattle grazing on it.

01:01:13;14 - 01:01:27;06

HOST

So that's the the petty hacking family of this, 500 million of capital is to be in farming. And if you are thinking more with, commercial life, where, where and how are you going to be allocating that?

01:01:27;08 - 01:01:57;14

GUEST

I will be going down the valley, right? Rates and sourcing multi like industrial old, industrial logistics assets which can be positioned and brought back to the market where there's limited supply. So in particular in certain markets in Germany and the big, you know, the big five markets in particular like Berlin and

Frankfurt, but there's very little supply coming to the market, huge rental growth opportunities there.

01;01;57;16 - 01;02;02;10

GUEST

And that puts great value on a pan-European basis as well.

01;02;02;12 - 01;02;09;21

HOST

And that any people you've worked with in your credit bring along the journey to help you with that capital with.

01;02;09;23 - 01;02;11;04

GUEST

Quite a few.

01;02;11;06 - 01;02;13;10

HOST

I'm sure quite a few labels as well.

01;02;13;13 - 01;02;26;20

GUEST

Definitely, definitely. I bring Madeleine Cosgrave back. She's exceptional. And being head of Europe, she, she would, she knows the markets and,

01;02;26;22 - 01;02;28;09

HOST

Trusted advisor to help you with that.

01;02;28;10 - 01;02;36;02

GUEST

Trusted advisor. Know, know how to work with her. I'd love to set up an all female team. I really would, so.

01;02;36;04 - 01;02;55;11

HOST

Watch this one. Say, give me a call. Actually, you'd probably want a female representing you on that, but maybe I'll be the diverse. I'll be the the diversity in the team. And and I'll probably get to feel what it's like with what you felt like most of your career. So, but look, Penny, like I said, phenomenal career.

01;02;55;13 - 01;03;12;04

HOST

You are so well connected and trusted by so many industry leaders in all aspects. And, I've loved, picking your career in chatting shop, and I'm really excited to see what you and the team going to do, through 20, 24, 25 and beyond.

01;03;12;06 - 01;03;16;17

GUEST

Where it's been been an actually a pleasure. I was dreading.

01;03;16;17 - 01;03;19;17

HOST

It, and I just sprinted.

01;03;19;19 - 01;03;22;18

GUEST

I know exactly, thank you.

01;03;22;21 - 01;03;46;16

HOST

Thanks for listening to this week's episode people property Place podcast. If you found it insightful, feel free to share it with a friend or colleague. Give us a rating like or comment. It helps tremendously. It'd be great to hear from you on LinkedIn. I'm super open minded to recommendations of guests we should have on the show or areas of the market we should explore further.

01;03;46;16 - 01;04;12;13

HOST

So do drop me a message. The People Property Plays podcast is powered by Rock on the team recruit, leadership and future leadership hires for real estate owners, funds, investors and developers. So if you're looking to hire top talent for your business, head over to the website. WW don't rock Buncombe, where you'll be able to find a wealth of information.

01;04;12;15 - 01;04;20;09

HOST

Or feel free to drop me a message on LinkedIn. Have a great day wherever you are, and I look forward to catch you next time.