

00;00;03;29 - 00;00;24;09

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;24;11 - 00;00;51;22

HOST

Welcome to the People Property Place podcast. Today we are joined by Richard Bains, managing director at Chancery Gate. Chancery gate is a highly successful property developer, investor and asset manager specializing in the UK's urban logistics and industrial warehousing sectors. They offer a full range of in-house services to manage the development process in its entirety, and asset managed funds.

00;00;51;24 - 00;01;17;16

HOST

Richard has over 30 years experience in the UK property sector and prior to joining Chancery Gate, was the head of the UK business at Rock spring. Now Patricia and was specifically responsible for their UK focused closed ended value add funds. He's a graduate of Redding University and started his career at Cotton's before moving to baring, Houston and Saunders as well as City After.

00;01;17;18 - 00;01;20;21

HOST

And it gives me great pleasure that he's on the podcast today. So Richard, welcome.

00;01;20;28 - 00;01;22;17

GUEST

Thank you very much, Matt. Thanks for intro.

00;01;22;22 - 00;01;44;16

HOST

Not at all. Well, look, I've known you ever since I got into to my role, in recruitment way back in 2014. I think you were one of the early clients, as it were, that I. That I met. So I've always had a keen interest in terms of how you've kind of navigated and what you've been doing over the last ten years, but a place I'm sure you know, where we always start this conversation is how and why you got into real estate.

00;01;44;16 - 00;01;47;06

HOST

So we can start there and then follow the story through.

00;01;47;08 - 00;02;12;20

GUEST

Yeah, sure. So I guess, like a lot of people, I, I had some family connections to the industry. My father was a, a property lawyer for a relatively small company in a place called Worcester Park in Surrey. But he did a lot of work for a developer, a hospital called Gleeson. So he originally arranged some work experience for me, working for a local estate agency showing houses, helping with comps and taking calls and that sort of thing.

00;02;12;20 - 00;02;31;21

GUEST

And then school careers was, what are you going to do? And real estate was one of the opportunities. And I think insurance might have been the other that a fairly typical stuff. And I took a year off after school and my father's connections helped me get a job working. So this would have been 1988, at the height of the madness of the market.

00;02;31;21 - 00;02;51;08

GUEST

At that point in time, working in the city office, what was then he, then Baker doing office leasing and general dogsbody stuff. But I had six months there, which was very good fun and I guess cemented my view that this was probably the industry for me. And then by that point, I had a place at Reading University anyway, and off I went from there.

00;02;51;10 - 00;02;56;21

HOST

So did you want to go down the the law route, or is it just more the surveying aspect that kind of suited you?

00;02;56;22 - 00;03;10;08

GUEST

No, I don't think I ever had the patience or the sort of eye for the detail to go into the legal perspective, but my sister did actually, she was a property lawyer. But but no, it was always the more tangible what I saw sort of people relationship that that attracted me to the real estate industry.

00;03;10;14 - 00;03;17;12

HOST

So you did your degree at reading a few years, and then you left and you joined Clayton's McGrath as a graduate.

00;03;17;17 - 00;03;37;09

GUEST

Graduate recruitment program? Yeah. So that would have been 92. So the market by then it was a very different place, pretty challenging to get a job. And so I was lucky enough to get a place at Clayton's working in Berkeley Square, 45 Berkeley Square, which was great place to work. It was those days when all of the big firms were in and around Berkeley and Hanover Square.

00;03;37;09 - 00;04;04;13

GUEST

So, you know, no mobile phones, no computers, different world, but really good fun, really good people there. And I did the graduate rotation. I started with, you know, very hands on granular property management and then worked in the valuation team for about two years, which was a fantastic grounding. I spent the whole time on the road. There was no satnav, so you'd find your your map in the in the map of the town you're going to and plan out your routes, and you'd be on the road for 2 or 3 days.

00;04;04;13 - 00;04;20;13

GUEST

We were valuing for the people like Save and Prosper and TSB, very granular real estate across all sectors. And we do, you know, road trips down in the southwest or up to the northeast or the north west. So got to see a huge amount of real estate, which was fantastic for somebody at that age.

00;04;20;16 - 00;04;22;29

HOST

Did you enjoy the valuation aspects or not?

00;04;23;02 - 00;04;41;28

GUEST

Yeah, I mean, I it became a little bit repetitive when you're doing those were so in some cases monthly valuation. So they were sort of, you know, traded entities which, which had to be valued on a regular basis. So the there's not a lot of differential between one month next. So I think it was a great grounding.

00;04;41;28 - 00;04;56;07

GUEST

Did I enjoy did I want to be a value add. No not really. I was sort of way onto something else. But looking back on it now, what did it give me? It gave me huge exposure to different sectors and and geographies. I mean, I, you know, you come out of university and school and you look at these pay and where's that.

00;04;56;07 - 00;05;06;23

GUEST

And I've got no clue. So you learn a huge amount about the red state, the granularity of it and, and just where everything is and how it all works, how it operates, what makes things tick. So it was great. It was good grounding pretty good.

00;05;06;29 - 00;05;08;13

HOST

And from there you qualified.

00;05;08;15 - 00;05;43;02

GUEST

Qualified, stayed in that team for another six months or so. And then I moved into what was called the farm management team. But essentially most of my time was working on the Crown Estate in Saint James's and Mayfair, helping Bob Clark, who was one of the senior partners there. You had the relationship with the Crown in sort of relatively complicated least regards to facilitate development of things like Sterling Square, for example, just sort of just the to the side of them, the RC club down on Paramount, which you know, was an old 1950s building, I think, and to redevelop the developer who came in had to regain the Crown population.

00;05;43;02 - 00;06;04;18

GUEST

So we're advising the Crown on what they could get. Could they increase their gearing, get a capital premium out of it, and then going through that whole process. So again, quite interesting. And very different, but very focused on that Saint James's and Mayfair estate and the bits and pieces of other stuff, some smaller clients they had who had things all over, all over the country.

00;06;04;18 - 00;06;06;19

GUEST

But that was the main focus of that work.

00;06;06;21 - 00;06;10;13

HOST

And you were with Clayton's for six years or so.

00;06;10;15 - 00;06;11;23

GUEST

Yeah. But about. Right. Yeah.

00;06;11;25 - 00;06;17;09

HOST

Did your role change their attitudes or to kind of get a change? Did you have to to leave the business?

00;06;17;15 - 00;06;37;27

GUEST

Had to leave, really? Yeah, I saw it as being but I don't know how I made the decision, but I, I clearly made a decision that I wanted to go client side relatively quickly and that I felt like the end of my progression was probably at that point in time. So where could I go? Where can I learn something new, where can I move forward?

00;06;38;00 - 00;06;56;07

GUEST

And I think I was just approached by a headhunter to the bank use and Saunders Row, which came along and, and was interesting by that. At that point, the history bank, he said, Saunders, if you if you don't know, they ended up being bought by and and and the legacy business, I suppose is now owned by CBRE investment managers.

00;06;56;07 - 00;07;22;22

GUEST

But at that time it was an independent firm management house run by Rob Houston, and Nick Cooper, who's now chairman of Yarra, I think. And they ran a very successful fund management operation with some institutional clients like Rolls-Royce Pension Fund. We won the mandate when I was there for the Cadbury Schweppes pension fund. But actually I originally went there to do corporate business, say they had a small corporate real estate team who looked after Nokia's real estate in the UK when Nokia was a big company.

00;07;22;26 - 00;07;44;06

GUEST

We're big a company that is now, and we did quite a lot of stuff for the Barings banks in London, and we did a lot of work for Beales departments door, which was a sort of 2020 unit regional department store company. So actually on the other side of the fence, good, good experience for a year or so. But being embedded in that business, I saw what was going on on the other side of the fence on the firm management, the landlord side.

00;07;44;06 - 00;08;04;08

GUEST

And I think I realized relatively quickly that that was where I wanted to go. And I managed to get myself an internal transfer, if you like, onto that side, and, and ended up working on the Cadbury Schweppes pitch on that account, the Rolls-Royce accounts, Dorset County Council pension fund, it was those sort of separate accounts which were probably between 100 and 300 million each.

00;08;04;08 - 00;08;26;05

GUEST

But but across all, you know, balanced portfolios, across sectors, across geography. So again, a lot of travel. It was yeah, there was an acquisitions team that you would help with the acquisitions and, and clearly help to buy into the to the positioning within the within the fund. Make sure core core plus value add opportunistic. So there was a little bit of development in one of the deals that I remember very fondly.

00;08;26;05 - 00;08;49;19

GUEST

There was funding the development of the ground floor at the Royal Exchange in the city, which you probably know is now, you know, really nice restaurant in the middle and lots of very, very upmarket boutiques around the side. Well, when we got involved with that, it was a metal box in the middle of that space, which used to be occupied and operated as the life trading floor that was then stripped out and and we funded the development of that.

00;08;49;19 - 00;09;08;23

GUEST

I mean, that was a hugely complicated deal to buy the land or the element of the land, effectively trying to agree pre leases with all the very upmarket and particular retailers, the building contracts and so on and so forth. So, so that was, that was a really fun scheme. And, and then that was probably typical of what we did.

00;09;08;23 - 00;09;11;10

GUEST

But it was one of the sort of more memorable deals, if you like.

00;09;11;14 - 00;09;19;17

HOST

And so was that you kind of feel that was the place within real estate that you, that you want to be in, and you kind of engineered yourself into that seat?

00;09;19;19 - 00;09;36;25

GUEST

Yeah. I think, I mean, I had a great time. There were very, very interesting, good bunch of cohort people. If you look at some of the names of people who came out of there, you know, that that that there's some to some great talent. And it was very enjoyable and it was a good next step, career progression. It was very institutional.

00;09;36;25 - 00;09;51;25

GUEST

What I was doing, there was no doubt, you didn't really have to give any thought or in what I did, that element of what I was doing, there was no doubt you didn't have to give a lot of thought to anything other than the sort of the equity and the balance of the portfolio in an institutional fund management type type structure effectively.

00;09;52;02 - 00;10;18;07

GUEST

So yeah, really good. Again, you know, good experience, good progression. I guess looking back, I had probably come to sort of the end of where I thought that role would take me. And, and again, I was approached and found a role at Kit, which at the time was very focused on central London office, and they had put together a portfolio of large central London office buildings, including places like Roman Court, the.

00;10;18;08 - 00;10;24;28

GUEST

What was the Marcopolo building just south of that, which is now now residential? There was a big building up in finder and there were 2 or 3 others.

00;10;24;29 - 00;10;27;17

HOST

High Street can on just off High Street can.

00;10;27;19 - 00;10;46;21

GUEST

Yeah, I think there was one there, you know, stretching my memory there. And effectively it was at that point in time it was an arbitrage between the cost of debt and the and the yield that they could buy those assets at. So it was purely that and it was lumping together high net worth individuals into, you know, structures whereby they could they could, you know, make, make things work.

00;10;46;21 - 00;11;02;18

GUEST

And so I was actually hired to be the asset manager for some of those office buildings within about six months of me being there. They sold them. I was like, well, this is great. What's gonna happen now? And, and I think looking back, I was sort of a bit hung on call. If I made the right decision, I should never have done this.

00;11;02;18 - 00;11;24;17

GUEST

But stuck with it. And I think there was a lesson there. You know, you quite often need to spend some time bedding yourself into a new job before you really, you know, whether you've made the right decision

or not, whether you whether you're happy. But the opportunity within that company quickly sort of became apparent. And we, were led by Martin Roberts, who now runs Addington Capital.

00;11;24;17 - 00;11;43;16

GUEST

And, we were doing a lot of work with Morgan Stanley Real Estate Fund, which at the time was led by Matt Horgan. Who subsequently moved to city. And so I worked with Matt for quite a long time, and got very much involved in the buying and, and the structuring of the next tranche of investments, which, which city was involved with quite a lot.

00;11;43;16 - 00;12;05;24

GUEST

Those were town center shopping centers. We bought, I think probably something like 15 to 20 of those in about a two year period in portfolios and singularly. But it was also the time just immediately prior to the GFC where, you know, we were doing deals where we were putting 2% equity in and you get 98% finance from. Oh yes, in terms of senior mezzanine, some sort of bridge equity.

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GUEST

So, you know, it was structuring to a new degree, it was debt which I'd never been exposed to and was suddenly thrown into. Right. Well, if you find a deal, you've got to go and find the debt for it as well. And then we'll package it all together and try and make it work so suddenly you're talking to banks and negotiating loan documents.

00;12;23;27 - 00;12;49;04

GUEST

And so again, huge learning experience and doing something different, which I'd never done before. So, so so you know, really interesting in terms of structuring got involved a little bit with the the equity sourcing or talking to the equity, at least understanding that element of it. And also quite a lot of hands on asset management. So it well cradles great stuff, which I've always enjoyed in in real estate is the ability to, you know, when do I get a pass out of a real estate deal.

00;12;49;04 - 00;13;05;13

GUEST

It's not really when I buy it, it's when I sell it and I make money out of it. That's that's, to me, the sort of the time to celebrate a deal. And I think this was definitely the part of that because it was all about making money and profit. It's not about an institutional fund where it's sort of a balanced portfolio and producing a certain return.

00;13;05;13 - 00;13;13;01

GUEST

They want an outperforming, a benchmark. Well, you can outperform the benchmark and have a pretty poor return here. It's about making bottom line money.

00;13;13;03 - 00;13;22;24

HOST

And you had a variety of the structuring to the equity that's looking at, at real estate and working out is that should we buy that deal and can we draw the right returns for it? Yeah.

00;13;22;24 - 00;13;38;23

GUEST

And and I think you quickly understand that a lot of the return out of real estate can be driven by the real estate fundamentals. But but a lot of it is also about getting the structuring right and getting the debt terms right and making that element of it work. So so that was, as I said, it's something I'd never had exposure to before.

00;13;38;23 - 00;13;44;05

GUEST

So so so was was was great experience and something I've taken with me since then.

00;13;44;07 - 00;13;55;10

HOST

Growing up. What what kind of kids were you particular academic? I know you big rugby player and father. What? How where were your strengths kind of growing up? Where do you kind of excelled?

00;13;55;16 - 00;14;17;24

GUEST

I think I was academically sort of, you know, three BS at A-level and back in the day when I was a bit harder than they are now, maybe. So I don't know what that translates as in today's language, but, you know, I wasn't exceptional, but I wasn't I wasn't at the bottom of the class either. And again, I'd say in sporting terms, I was probably probably time a better rugby sort of post post-school, to be honest, and into university and after that.

00;14;17;24 - 00;14;35;03

GUEST

But I mean nothing outstanding but but good social rugby and enjoyed the crack and always do. I played rugby till I was 33, 34, something like that. And so it's always been a big part of my life. And, you know, back in these days, you know, playing in the Savannah Sevens for Claytons and stuff, it was it was a big part of Red state as well.

00;14;35;09 - 00;15;06;06

GUEST

So so that's always helped. So I think, you know, I was sort of a child was I. That's a hell of a question. But yeah, I think so. I've always I've always got on with people I've always liked sort of socializing and being with people and making connections. And, you know, in the same almost natural environment is walking to a walking into a room full of people who I don't know, but there's always 1 or 2 friendly faces and then happy to chat and, and, and establish relationships and so on so that, you know, thinking, sort of thinking about this before, before we stepped into the room, you know, one of the things I

00;15;06;06 - 00;15;22;04

GUEST

was thinking back to is, you know, the contacts you make in all these different places you work and where they then go off, and how that then feeds into your wider network. And before you know it, you've got a ready made network in real estate and especially if you go somewhere like Redding or Oxford or certainly back in my day, I'm not sure if that's as true.

00;15;22;04 - 00;15;37;17

GUEST

Now, the cohort of people who started in the same 1 or 2 years either side of each other and made a state, became quite tight. You know, everyone socialized together, everyone knew each other pretty well. And again, not just expand your network even further. I'm sure that's your question there, but I know that you tangents.

00;15;37;19 - 00;15;52;24

HOST

But you actually you have because, you know, it seems like it suddenly from the you know cottons business owners to, to CRT. You've always like seeked out that that next opportunity you always taking the initiative and always been very driven as well. Right. Has that always been been the case.

00;15;52;27 - 00;16;18;11

GUEST

Yeah. I've, I've always wanted to sort of, you know, to move forward and to continue learning. And that's, that's something that's really important to me is, you know, whenever I move or whenever I'm doing anything, even today, you know, people sometimes surprise to say, well, you know, I mean, I'm sure we'll come and talk about it. But when I took the chance for a great job, you know, I moved from an institutional environment to a, an industrial developer, and I wasn't a developer and I wasn't particularly an expert in industrial.

00;16;18;14 - 00;16;37;16

GUEST

But for me, that was one of the exciting things, a challenge to be able to learn. And, and, and I'm never scared to put my hand up and say, I'm sorry. Hang on. I don't understand what you're talking about here, particularly in the early days at church. We gave them, when I'm in a meeting and we're talking about technical development stuff or, you know, problems in the ground or contamination or drainage strategies, it was all new to me.

00;16;37;18 - 00;16;52;24

GUEST

But don't be scared to put your hand up and say, sorry, I just I'm not quite sure I understand that. Can you explain that to me? And I think it's important that I do that now in my position, because it gives confidence other people in the room to to ask, ask a question as well when they're probably sitting there going, I've got no idea what they're talking about.

00;16;52;29 - 00;16;59;12

GUEST

Yeah, yeah. So it's important to me that, that I'm in a place where I continue to sort of learn and have exposure to new to new challenges.

00;16;59;15 - 00;17;14;06

HOST

And so in terms of that financial engineering asset that you learned in that structure, was that a relatively new, phenomenon within real estate, or is it just because you changed environment? You're working in a more kind of private equity mentality?

00;17;14;06 - 00;17;30;19

GUEST

I think I think, yeah, I mean, looking back at it now, I think it's definitely because it was just a different type of organization. I'm sure it had been going on to some degree. I think I was probably slightly naive, not not having had exposure to it prior to that or being in a, in a department of or a role where I've had to have exposure to it.

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GUEST

So I, it was new to me. Did I really know that that was out there and there were people engineering when I was a nurse? Maybe. Maybe not. But but I mean, clearly now it's become a much more important part of the real estate market in which, you know, the private equity firms and so on. I mean, there weren't nearly as many of them then as there are now.

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GUEST

You didn't have the Blackstone's of this world really back then to any degree. It was the Morgan Stanley's, the Goldman Sachs. It's those sort of big, big, big sort of banks who've been around a little bit longer.

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HOST

And in terms of the investable universe at that time, office, retail, industrial, correct, main food groups, retail and offices.

00;18;06;13 - 00;18;30;00

GUEST

Yeah. Industrial was was generally, you know, you got a balanced institutional portfolio. It was probably 15% of your portfolio and the rest was in office and retail with probably a high proportion in retail. And, you know, there'd be a 50% way to the core and 30% to core plus and maybe a little bit about that. So yeah, it was pretty, pretty vanilla.

00;18;30;02 - 00;18;30;21

GUEST

00;18;30;24 - 00;18;41;26

HOST

And your role at city transactions with asset management as well as the structuring piece, how and when did you make the move or the decision to move from city to to Roxbury, and how did that come about? So I was.

00;18;41;26 - 00;18;59;12

GUEST

Approached by Rock spring about a year or so before I left to, to go there, actually, because they were looking to hire a transactions guy into the UK team. And I think both they and I decided that it probably wasn't the right role for me. I wanted to be something more rounded and sort of more involved in that.

00;18;59;12 - 00;19;18;28

GUEST

As I said before, the cradle to grave, the just doing transactions. But I think we both kind of like what we saw and said, look, I think the Rosman guys, were were this was sort of GFC had sort of hit and they were planning this UK recovery fund and they knew that at some point in time they were going to want with a manager for that.

00;19;19;00 - 00;19;43;05

GUEST

So it was left that we sort of stay in touch and see what happened. And I don't know how long it was. Maybe six, eight months later I got a call saying, would you come and have a conversation about that? And they had they had been pitching this idea to a number of, of their LPs. And so limited partners, i.e. the end investors, the sort of pension funds, insurance companies and but they didn't have a manager and they got to the point where they had to find if I managed before they could actually make the fund real.

00;19;43;07 - 00;20;02;21

GUEST

So I was recruited to go in there and and run this fund on the basis that it was going to be more like a club than a fund at that point in time, because they had three cornerstone investors. And in between me taking the job and me arriving at Rock spring for different reasons, none of which I'm told had anything to do with me arriving.

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GUEST

They lost two of those cornerstone investors, so that was one there. But then my role changed from, right, you can have this money to invest and let's get on with that. It's a blind fund. You've got to go out and do this to well, you've got to get on the road and help us raise the capital first, which at the time was a bit

frustrating.

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GUEST

And actually, looking back, yeah, we missed a great opportunity of a year of investing right at the nadir post GFC, where we could have picked up some great deals. But from my perspective it meant that I was on the road fundraising, talking to Alps on a pretty much global basis, which again was something new to me. Never really had that experience.

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GUEST

And in terms of the learning curve was a big learning curve, was interesting, was quite fun, albeit as anyone who's done it will know, fundraising gets pretty repetitive after a period of time. So I spent a lot of time in Scandinavia, in the UK and Australia, small amounts of time in the US and Southeast Asia, in the Middle East trying to raise capital for this fund.

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GUEST

So I don't know how long it was after I arrived that we finally got a close off the ground and got going, it was probably 6 to 9 months. And then yeah, it was it was invest the blind fund and and get on an asset manager and put the debt structure in place. You know, do we have a fund debt structure.

00;21;12;04 - 00;21;28;22

GUEST

Do we do day by day or do we do little portfolios of deals. Where are we going to buy? It was purely opportunistic. It was take advantage. But a point in time when things were to distressed and the mandate of the fund was to hit a, I think a seven sending return, a 10% plus IRR. So it was a bit of income.

00;21;28;22 - 00;21;51;16

GUEST

So it wasn't pure, it wasn't opportunistic. There needed to be a balance of income and and sort of more interesting deals. So we we put together a portfolio of some shopping centers with pretty much everything ready. We did some office development, we did some student housing, we did some of the stuff in-house. We backed, third party operating platforms, on on some of the deals.

00;21;51;18 - 00;22;10;21

GUEST

So it was it was very good fun. I think over 18 months or so we got it away. We raised about 350 million of equity. So we did about 550 of of GDP, probably something like that. And then I was involved with, with sort of overseeing and some hands on asset management as well. And then fully round tripping that fund and then raising the next one as well.

00;22;10;28 - 00;22;19;27

HOST

So you having to reach out to investors yourself was there that support on infrastructure. You know they set up the meetings. It was more about you got to get close and get pitch on the idea.

00;22;20;00 - 00;22;47;00

GUEST

Yeah. So we we had a fundraising team who who put that put the sort of the meetings together. They would help with due diligence questionnaires. They would help with following up post meetings and then closing deals with them, depending on whether the investor was big or small or was known to rocks. Ring was maybe done by the investor relations team, maybe done by, you know, the the more senior people in the business.

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GUEST

But it was a collaborative effort. So we did a lot I did a lot of, of roadshows with the investor, the investor relations team. And, and I work particularly closely with a chap called Joseph Palliser, who was head of research at the time. He's now an AG. And yeah, we spent a lot of time on the road.

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HOST

I it pitching to institutions or endowment funds or pension funds etc..

00;23;08;06 - 00;23;31;08

GUEST

So we raised, money. Big investors were Danish and Finnish pension funds. So like the state pension fund in Finland, pension Denmark and AP pension in Denmark. So I in Finland and those two were from Denmark. We raised a little bit of money from Australia. Had a couple of different investors down there. Some UK institutions, through some of the consultants like Mercer, were big supporters of ours.

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GUEST

We actually and the first fund we raised a sidecar of high net worth who came through Barclays Wealth. So effectively Barclays Wealth were all investor. But then and behind them were 50 individuals, private individuals putting much smaller amounts of money into that sort of pool that came in. So they raised £50 million to put into the fund, and that was interesting because you go to pitch to them and they are totally different questions to the questions that the, that, that the institutional investors would also get you on your toes.

00;23;58;15 - 00;24;13;19

GUEST

And that's the thing about fundraising is, you know, you could go and you come out and go, God, they're never gonna invest. That went bloody terribly. And they're the ones who invest. And you think you've had the best bit. But to me, the most challenging and the most interesting and the most fun meetings were the ones where you got challenge and you got asked the people questions.

00;24;13;19 - 00;24;21;13

GUEST

You have to think honestly, otherwise it's just hugely repetitive and you could just do it rote almost. Which which wasn't particularly challenging after a while.

00;24;21;15 - 00;24;41;26

HOST

You see, just going back, it's like leaving city to go to Roxbury. They had three cornerstone investors. They were looking to kind of close that off, but they needed you in situ in order to do that. It's that chicken in the egg. Right. And so there's that risk in it around changing roles. To go without anything being signed is that it was a lesson learned within within that.

00;24;41;26 - 00;24;47;20

HOST

Or was it a case of you just kind of backed yourself to kind of go that you backed the platform? And actually I think it's more of.

00;24;47;20 - 00;25;07;29

GUEST

Back in the platform, you know, I mean, at the time Rock spring was probably 50 or 60 people. It was a pretty well known, well established name, and they had a number of different mandates. And I think I'm not sure I really thought about it like this at the time. But looking back, I probably think if you're good

enough and you get somewhere like that, even if this opportunity doesn't take off, they will find a place for you.

00;25;08;02 - 00;25;25;02

GUEST

So if you backed yourself and you're confident enough in your ability and you go somewhere like that, then there's less risk than if you're going to a, you know, three man band or so myself, clearly. That that they were determined to make that happen and, and and we did. So you know who who left out. Okay.

00;25;25;05 - 00;25;59;21

HOST

Quick one from me. If you haven't already subscribed or follow 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're doing.

00;25;59;22 - 00;26;25;11

HOST

So if you haven't already, please follow or like on the platform you watch or listen to. Thanks so much. And it was in and around 2014 where I guess you probably won't even remember, but I'll pass first cross when when I used to recruit for your what was called the fat team back then funds advisory and transactions or funds acquisitions and transactions or what have.

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

GUEST

Essentially a made up name for the analyst team.

00;26;28;00 - 00;26;33;03

HOST

Yeah, yeah, yeah, I would be responsible for doing. Yeah UK transactions and, and and you.

00;26;33;03 - 00;26;41;29

GUEST

And European and European. Yeah. It was, it was a common analyst team and we had some great people through there. And I think you have Chris Webb on here who was one of one of one of the members of that team.

00;26;41;29 - 00;26;52;04

HOST

Chris has been on but broad head of. All right. Yeah. I haven't had them on. But you know Katie Robinson's obviously at KKR and you can buy case a molloy transaction.

00;26;52;04 - 00;26;53;06

GUEST

John echo.

00;26;53;08 - 00;26;55;10

HOST

Charlie. Yeah. So yeah we.

00;26;55;12 - 00;26;59;02

GUEST

Became who you are now do some business with as well. So yeah the world to.

00;26;59;02 - 00;27;00;12

HOST

Your point of.

00;27;00;14 - 00;27;12;15

GUEST

Of contacts. Right. And it's up and down and wherever. But yeah. No, we had some really talented individuals who came through that team and and it was good fun. It was good fun recruiting for that team and managing them, hopefully helping them on their way a little bit.

00;27;12;18 - 00;27;27;23

HOST

So you were a rock spring for just shy of nine years or so. How did your role evolve there from this kind of yeah, coming through the door, getting involved with fundraising for the first fund. You know, it was multiple different vintages following that. Yeah.

00;27;27;23 - 00;27;44;03

GUEST

There were two instances of that of that UK value fund. The first time, as I said, we invest in our shopping centers. We managed to sell them in a big portfolio to Lone Star and did okay out of them. The second fund was was more challenging and it had some assets in it that I left just after we'd finished investing it.

00;27;44;07 - 00;28;02;24

GUEST

And I guess one of the reasons I was interested in moving on at that point, and that's probably the first time that I've proactively looked to, to move on from, from a role was, I mean, Rock Springs now, Patrizia, that the sale process was was in train when I was leaving. I knew we were going to be sold.

00;28;02;27 - 00;28;20;23

GUEST

It was clear we were going to be sold to a much bigger organization and, I won't say who, but, you know, knowing some of the other names who were in the picture, they were all big global institutions, and I had no real interest. If you think about who I've worked for previously, they've all been relatively small companies, had no real interest in moving to a big global behemoth.

00;28;20;23 - 00;28;53;01

GUEST

So I was proactively looking to move. Really, because of that, I knew that change of structure wasn't necessarily what I wanted long term. But how did my role change? I mean, yes, the day job was very much the UK value program, but I took on responsibility for the wider UK team after a period of time. I don't know how long into into my time there, maybe half, two thirds of the way through my time and, and that that was looking after sort of albeit the Mischa who still is after Hanover, which is the open ended fund they, they manage which was was, you know, in charge of that fund.

00;28;53;01 - 00;29;13;13

GUEST

But a little bit of help with that. We had quite a lot of UK assets in the Trans European and the MPs separate account funds. So helping to look after those and, and advise and also became involved a little bit in trying to leverage the relationships I have with the limited partners in my fund, who I build up quite strong relationships with into other parts of the of the Rochford business.

00;29;13;13 - 00;29;31;20

GUEST

So would they invest in other funds or would could we do some separate county stuff with them? So that was, I guess, how my role sort of morphed and changed, I guess probably became less hands on as I went because I had other responsibilities and I probably missed that to a certain degree, but accepted

that as you move up, then you have to give something somewhere.

00;29;31;23 - 00;29;34;14

GUEST

And that was the bit that, that sort of the that I lost.

00;29;34;14 - 00;29;54;00

HOST

I suppose you spoke earlier in our conversation about moving from, from a rock spring to a. Yeah, quite a wide, wide range of asset classes, instructions and LPs to a UK focused logistics developer. Can you talk to me about how that came up? Because you obviously Eddie Cook was in post to for you.

00;29;54;02 - 00;30;18;14

GUEST

Yeah. So Eddie, Eddie had been MD at Chancery Gate for I think 8 or 9 years and he, I knew him from Roxbury days, really, when we had talked to Chancery Gate about doing some business with him when we when I was at Rock spring, but had never done anything, he, I think publicized his impending retirement with a bit of a Property Week article and, you know, oh, Eddie's retiring and he's settling down to a year.

00;30;18;16 - 00;30;44;12

GUEST

And at the time, I'd made that decision that I wanted to move on from Roxbury. So I just rang up and said, I don't know if you don't know what you're doing about your replacement, but I'd be quite interested in having a chat. And he went from there. So when I chat with Eddie Andrew, who owns the business and yeah, I don't, I have a long later I was, I was in in places I was there was a, I think it was a 3 or 4 month handover with Eddie and I both in place, which was helpful.

00;30;44;12 - 00;31;00;19

GUEST

And then yeah, it was over to me. So it must have been reasonably interesting for some of the guys who were in place in charge, I guess. Who's this guy turning up who doesn't know anything about industrial development? I say that relatively flippantly. I knew enough about both, but but I was no expert in both, as I said earlier.

00;31;00;21 - 00;31;19;26

GUEST

But I guess what I bought, hopefully to the company, was the opportunity to add some of the skills I did have in terms of fundraising, being able to talk to investors, understand the whole piece of how of what makes real estate work, right. It's not just about finding a piece of land that could make a good industrial development.

00;31;19;26 - 00;31;39;21

GUEST

It's about buying at the right price, putting the right that in place, putting the right structure in place, finding the right equity partner for it, and so on and so forth. So, so I think that's hopefully what I thought and I think, you know, chance to get my join was about well, sort of high 20s people probably. And now with 52 probably going to be 60 this year I suspect.

00;31;39;21 - 00;32;08;05

GUEST

So you moved from being still quite a small company to a medium sized company where suddenly you're having to have in-house HR, in-house legal and a whole raft of different operational structures, which, you know, we're still evolving and going through at Chancery Gate now, you know, as we I'm sure we'll talk about it in a minute. But, you know, as we as we look to expand into Europe, you know, you've got to

think about how, how can we manage all of this stuff centrally and make sure it's not just about people who can find the deals.

00;32;08;05 - 00;32;13;04

GUEST

You've got to have the back up and the and the support. So it was being able to bring that and that sort of.

00;32;13;06 - 00;32;13;28

HOST

Infrastructure.

00;32;13;28 - 00;32;33;20

GUEST

And infrastructure and I guess exposure or experience that I had of that previously. Not necessarily hands on, but knew a little bit more about how it worked and what needed to be put in place. So yeah, that's how it sort of started. And we've we've had a as I said, we've expanded pretty significantly. The core is still very much the UK development function.

00;32;33;22 - 00;32;58;20

GUEST

And we're lucky to have our king there who's been development director, head to head of UK development for two many years. And you know, he's a great developer and the team underneath him, you know, we've opened regional offices in Birmingham and Bristol since I've, since I've joined. And that's really about being able to leverage those, those, those local relationships to, to do more in those jurisdictions.

00;32;58;22 - 00;33;17;06

GUEST

And that's probably one thing that sets us apart from most of our competitors in in what we do, which is urban small unit, multi light industrial is, you know, we've got Warrington, we've got Birmingham, Bristol and London. So we are very local. There's nobody really who does what we do on a nationwide basis to, to the same degree.

00;33;17;08 - 00;33;19;23

GUEST

And that's what we're trying to replicate as we move out into Europe.

00;33;19;25 - 00;33;28;02

HOST

Can you just talk to me about the genesis of the business because Andrew Johnson set it up right. Can you just say what was the kind of the story from set up through to, you know, so.

00;33;28;02 - 00;33;54;00

GUEST

And said the business up, I think it's 30 years next year ago. And he was essentially doing deals in West London Park Royal Southall, Hayes, that sort of area. And he was based there. You everyone knew everything that was going on and it was real. See the pants entrepreneurial stuff. So he would find a piece of land and then he'd try and find a tenant and try and find a backer and, and and find a contractor.

00;33;54;00 - 00;34;20;14

GUEST

And at one point he owned a contracting company. So he did, contracting himself. And that's how it began. It was real sort of, you know, seeing the patterns. Let's let's find a way to throw all the balls in the air and hope that I can keep juggling what's and the deal. And then as he, as he sort of had more

success, he grew it quite significantly to a point that pre GFC, he had a company that was probably almost as big as it is now, and deals with a number of institutional partners to, to back him.

00;34;20;14 - 00;34;41;26

GUEST

So, so, you know, grown up significantly ultimately sold half the business to Lehman just before they went pop they went pop. We had two years embroiled in that league, Lehman administration, which was a very difficult time for everybody. We had done a lot of business with Lehman, so we had a lot of land, a lot of half built schemes or built schemes with empty units.

00;34;41;26 - 00;35;09;27

GUEST

And so there was a long period of time when we were trying to just unravel ourselves from that. I say we obviously I wasn't there at the time, but ultimately the business back from the administrators. And so now on to, himself again. And, and and we built the business back from there. So I kind of look at Chancery guys, modern history, if you like, as, as the sort of post GFC post Lehman administration rebuild of the business where it's gone from, you know, and now we have almost nothing and 7 or 8 people left in the company to, to where we are today.

00;35;10;01 - 00;35;15;01

HOST

And it's always been in multi led kind of smaller box. Yeah we.

00;35;15;01 - 00;35;15;17

GUEST

Change that.

00;35;15;17 - 00;35;16;05

HOST

Part of that.

00;35;16;12 - 00;35;39;19

GUEST

That's been the USP. And we've done the on to box. But I don't think we've ever thought anything more than about a 70,000 square foot. A. And the typical Chancery gate scheme is probably 3 to 10 acres in a brownfield urban location, a variety of unit sizes. And we're good, I think, at eking out the best design for a site.

00;35;39;19 - 00;35;57;01

GUEST

And but taking into account the constraints of that site, whether they be technical constraints or shape or levels, that's where we tend to when sites if you if we're bidding on a big square rectangular that's totally flat, what we're going to get out there by a big box developer, we're not we're not we can't add as much value.

00;35;57;01 - 00;36;20;24

GUEST

But if it's something that's slightly quirky or slightly more challenging, that's when we tend to be good at making these things work. Yeah. And we do it in, you know, all locations. So we it's not just the core, you know. I mean yes, we've got some you know, we've got a fantastic site, probably the best site in Birmingham, which we're sort of going to be planning on now, but equally will build in Norwich or pull or, you know, so, so we will look more regionally as well.

00;36;20;27 - 00;36;43;25

GUEST



And because in a lot of those locations, you know, no new industrial spaces have been built for 20, 25 years. So if you deliver something new which takes the SG credentials and just provides a better environment for the occupiers there, the local occupiers still want that. And obviously one of the other USBs, that Chancery Gate still has to a degree, but maybe less so than in the past, is is we're prepared to sell individual units to occupiers.

00;36;43;27 - 00;37;04;29

GUEST

So where we don't have institutional backers who clearly want to keep an estate intact and, and then either keep it long term or sell it as an investment, you know, we're happy to sell freehold to owner occupiers. And there are a lot of businesses that want to own their own units, and they want to own nice new ESG, you know, top credentials units.

00;37;05;01 - 00;37;23;24

GUEST

But but there's very few people who build for that for that, end user. So if you want to own your own unit, you're normally buying something that's quite old and having to refurbish it. And that's still a bit of a, you know, a compromise effectively. So, you know, we're selling some units up in Leicester at the moment which are, which are going really well to, to occupiers.

00;37;23;26 - 00;37;26;00

HOST

And who are the typical occupiers.

00;37;26;02 - 00;37;49;02

GUEST

I mean, we that's the great thing about, about our sector is, is just the variety of, of tenants and occupiers who you have. We Leicester's great example. Right. So it's very close to the hospital and I think we've sold six, six out of ten units up there somewhere. We've leased them and then sold to investors, but others to occupiers and 5 or 6 units have gone to tenants or businesses that have some sort of medical background.

00;37;49;02 - 00;38;09;17

GUEST

So, you know, there's a kidney dialysis operation in one of the there's a manufacturer of medicine they want. I mean, maybe we should call it labs and put an extra couple hundred quid on the, on the, on the cost per square foot. So yeah, I mean that's an example there. But yes, you know we still got the traditional manufacturer storage and so on.

00;38;09;20 - 00;38;26;19

GUEST

We do more and more schemes where we have an element of a sort of what I would call I suppose, mixed use. So maybe some drive thrus or some self-storage, something like that. Electric charging is becoming an interesting one. Now we're going to be approached on a lot of schemes, particularly prime schemes on on good trunk road for the for electric charging.

00;38;26;21 - 00;38;38;26

GUEST

And they sit alongside what we build as the sort of what I call the meat and drink of a chance rebate scheme really, really well and obviously not necessarily obviously, but probably 40% of our schemes have an element of trade units as well.

00;38;38;26 - 00;38;44;22

HOST

Yeah. You can say trade counter or retail driven. Yeah. Yeah, yeah. So how does that go. Yeah.

00:38:44;23 - 00:39:02;28

GUEST

And sometimes we build specific units because they have a slightly different design. The trade units to, to a normal industrial unit. So typically the trade occupiers don't want a mezzanine floor. And they want a little bit more glazing on the front. So if you know or if you have confidence that there's there's demand from trade that you would, you would do an element design specifically for them.

00:39:03;00 - 00:39:11;17

GUEST

But then quite often you won't. You just build standard genius because you're not quite sure which tenant is going to come along. And you might still get a screw face or hands or the other. He'll take a unit and then they'll make it work for them.

00:39:11;19 - 00:39:22;17

HOST

And you'll you'll sell them to the end occupiers. Is that because you're using balance sheet capital to to develop those schemes and then you'll exit? Or is that even in scheme you've got institutional partners that would back you as well.

00:39:22;17 - 00:39:40;15

GUEST

It depends slightly. I mean a lot of our backing is from quite a private equity type institution. So they are trying to hit a return and it's about maximizing the IRR. So for them it's as quick as I can get in and out and as much money as I can make in that period of time, I can maximize my or my equity multiple.

00:39:40;17 - 00:40:01;23

GUEST

So for them, they don't really mind if they sell granularly to occupiers or if they lease and then sell the whole thing. In the past in the in the more recent past, they're not so much. Now. We actually loan schemes on forward sales or other funding bases as well, which, you know, accelerates the return to our investor and to us because we know we're getting out of those, practical completion, regardless of whether we lease the space or not.

00:40:01;26 - 00:40:20;24

GUEST

Yeah, more difficult to do that right now. I'm sure that market will come back in due course. Some of the business we're doing and you mentioned, I think earlier the the JV, we have CBRE. I am yeah, the European Logistics Partnership, which is the European Fund, I mean, that's built a core. So that is purely leasehold.

00:40:20;24 - 00:40:40;17

GUEST

And they are they are buying something because they want exposure to good quality, grade-A, multi-layer urban logistics, but very, very challenging to buy because the stock just doesn't really exist. And if it does exist, it's hugely competitively fought over. So their view is, well, let's build it and then we'll benefit from that. You know, cost arbitrage as well.

00:40:40;20 - 00:40:59;04

GUEST

The development deals rather than just buying up, you know, the investment you. So it's a little bit horses for courses depending on who our partner is. And and and we have a you know we've done business since I've been at Chancery Gate with Hines with Northwood and CBRE now and bridges we've done a lot with. So yeah, the.

00;40;59;07 - 00;41;00;05

HOST

Jail capital.

00;41;00;12 - 00;41;23;15

GUEST

Jail for different jails on the investment side. So we also have an investment asset management team, and we raised some capital with jail capital, which is a effectively a conduit in London for family office and private money for the Middle East to come into the UK. So they have all sorts of strategies for their clients. One of their strategies is with us, which is a multi light industrial investment fund, or two of them actually.

00;41;23;17 - 00;41;43;01

GUEST

And so that's about income return really for them income which with a little bit of capital growth. So that's buying up and that investments trying to add value benefiting and capturing reversion and pushing rental growth. So we've done two funds with them now total of about 150 million pounds. And that's the side the business that we're really looking to develop now.

00;41;43;01 - 00;42;05;03

GUEST

It's always been I guess, the sort of little baby brother Chancery gate to the development side. We just brought in Simon Cowley, who's six M7, and he's now heading up that business line, and we're sort of just beginning a big push to, to look for and and try to sort of bring in a more powerful equity backer to really accelerate that side of the business, both in the UK and then over time, hopefully into Europe as well.

00;42;05;08 - 00;42;13;14

HOST

And is that to see you have the recurring revenue, the fee stream there, which would complement the the development highs and the lows and these other side? Yeah, I think.

00;42;13;14 - 00;42;29;05

GUEST

That's one reason definitely. I mean that, that, that, that is you know, development undoubtedly is a cyclical. And you can have a year where you make very little profit. You can have another year where you make huge amounts of profit. And so that can be a little bit uncomfortable. Is it somebody at the top of the business looking at revenue streams?

00;42;29;07 - 00;42;52;21

GUEST

So to have a more consistent income stream is is one aspect of it. But the other aspect is we think it complements really nicely the development business and that we should be able to leverage off the development business. Maybe we can offer the investment partner a little bit of development, which they like. It also means that if we've got someone like a CBRE who wants to keep something built, a core we can offer, we can offer the ability to manage their asset going forward.

00;42;52;21 - 00;43;04;20

GUEST

So so there is a lot of, I think, you know, complementary business between the two sides and yeah, my feeling and and and Andrew stating is that that that business line should be much longer than it is. So that's, that's why the push.

00;43;04;20 - 00;43;23;01

HOST

Now where do you see the opportunities in the market at the moment. Because there's lots of challenges out there and they're well documented. But logistics living, you know, the kind of the the darling Charles at the moment. Where do you see it in terms of the logistics market, where the opportunities are? I think I, I.

00;43;23;03 - 00;43;44;03

GUEST

Strongly believe that long term logistics and urban logistics will be a core resilient asset class for investors. The fundamentals are undeniable in terms of the supply demand dynamic. And, you know, clearly that vary slightly year to year. But if you look at the bigger picture, it's not easy to build the stuff we build. You know, planning is difficult.

00;43;44;03 - 00;44;08;11

GUEST

Power is difficult. Construction costs have gone up. So, you know, it could put off a lot of a lot of counterparty ease. But the consequence of that is it means that there's riders new supply coming through. There's clearly a massive push for great a in terms of the investor universe rather than older stock. So again, you know, if you can deliver it, I think the end appetite for investors is very much there and becoming more so for the occupier as well.

00;44;08;11 - 00;44;15;23

GUEST

But that that's perhaps less compelling, when you're building smaller units than it is for the big corporates in the bigger units, it.

00;44;15;23 - 00;44;16;24

HOST

Gets.

00;44;16;27 - 00;44;33;08

GUEST

I think, I think some of them. Yeah, they just they're not quite there yet. You know, if you're a one man band or you're, you're a, you know, you're mending cars, you don't really care, frankly. You just want to get on, do your business. Some of them do, don't get me wrong. And particularly some new businesses with sort of younger owner managers, they really care.

00;44;33;10 - 00;44;49;11

GUEST

But I think it's also, you know, it's that transition. We have even talked about e-commerce. But, you know, it's that transition from the the operator who used to have a shop who now has a storage unit with perhaps some offices or some manufacturing in the office space above, or, you know, a no, like assembly or something like that.

00;44;49;13 - 00;45;25;25

GUEST

They want actually a space where their customers and clients can come and it looks nice and it's presentable. And it's not a grotty old industrial estate. And then on the supply side, we're fighting hugely still against the the overriding demand for more housing and losing industrial land to housing. And that is being protected in certain areas. But, you know, I don't think enough land is being allocated for industrial when we're talking about great swathes of space, whether it be green belts or brambles or whatever being allocated for residential, you know, we need to we need to provide the infrastructure to supply those new households and that's not being done.

00;45;25;27 - 00;45;41;18

GUEST

So I think those fundamentals are pretty compelling long term. Now. I've been in the industry long enough to know that, you know, you can't have a market that goes up and up and up and never comes down. So I think there will be wobbles, which is why I'm talking about the longer term compelling trend. There will be wobbles.

00:45:41;19 - 00:46:01;08

GUEST

Undoubtedly. We've had three singles over the last couple of years, right. Our market's come crashing down and is and is coming back up slowly but surely. So, I'm a firm believer in what we do. Where are the where are the sort of the opportunities today? We see interesting opportunities in the, in the UK on a, on a granular basis, you know, from day to day.

00:46:01;08 - 00:46:21;21

GUEST

I think we bought six sites over the past six months or so in the UK, in places like Manchester, Birmingham, Horsham. I'm forgetting three, but there are three on this, new market and a couple of others. No, Keynes, there's one I'm missing. And, you know, these are opportunities for our, you know, different sizes, you know, new markets, two and a half acres.

00:46:21;21 - 00:46:31;12

GUEST

Milton Keynes is 10 or 11, you know, so different sizes, different different. So different size units. But but the fundamentals of those individual deals we're very comfortable with

00:46:31;15 - 00:46:33;11

HOST

Different challenges to overcome. Yeah.

00:46:33;11 - 00:46:54;02

GUEST

Of course. Yeah. You know from a planning perspective, from a construction perspective, from a power perspective. But we're also interested and spending a lot of time now looking at moving into Europe. So we've got a site in Dublin about two years ago, which is taken a slightly longer than we would like to get planning, but fingers crossed we're very close to that now and then we'll be on site.

00:46:54;02 - 00:47:14;23

GUEST

We've just hired somebody in Dublin to be our man on the ground in Dublin, and we actually on Friday last week did our first deal on the continent. So we bought a site in Lisbon. We will hopefully very shortly be closing on a deal in Spain as well. So we're sort of we're focusing on Iberia to start with the various reasons.

00:47:14;25 - 00:47:36;15

GUEST

I mean, you know, a lot of those Spanish cities like the Leinster, Barcelona have a very tight supply constraints, just very geographically with mountains and sea and so on, so, so that they're interesting markets. And we just hired somebody in Spain. We're looking to close at a higher end Portugal right now as well. We're working in Portugal with a Belgian private actually company called Mateus Karim.

00:47:36;18 - 00:47:55;17

GUEST

So we've agreed a JV with them there and working with them, they they are present in the Portuguese market but not in the logistics space. So it's our logistics experience with their experience on the ground. And then we're we're actually forming a joint joint Ocho with them. So that's quite exciting, quite new and a slightly different structure to what we worked with in the past that works with both parties.

00:47:55;17 - 00:48:18;26

GUEST

So that's good. And our aspiration is to grow into, you know, 1 or 2 more jurisdictions over the next 12 months. And they will probably be the more the more core European markets. And I'm, I'm very comfortable that the supply demand issues that we have here are pretty identical across Europe. So it's really about making sure we've got the right local people in market.

00:48:18;26 - 00:48:37;19

GUEST

We want people on the ground speaking French and German, not trying to do it from the UK. That'd be very challenging, especially when you're getting as granular as we do to buy the sort of things we do. And we're looking to replicate the challenge UK model, albeit having, or being sensitive to the peculiarities of those markets that we're in.

00:48:37;19 - 00:48:50;23

GUEST

So, you know, we're not going to say, right, this is what we do in the UK. So that's exactly what we're going to build in Spain. We will look at what the market demands and and you know, planning is different. So you can't just go and do that. Construction methods are different. So you can't just go and do that.

00:48:50;25 - 00:49:00;20

GUEST

But fundamentally we want to be delivering great, a good quality, well-designed, modular urban logistics units into those markets.

00:49:00;27 - 00:49:09;07

HOST

And then you build up those kind of local teams that will be responsive deal sourcing, development, leasing, asset management, everything else that goes into that as well.

00:49:09;07 - 00:49:23;15

GUEST

Yeah, yeah. So all that darting country when some sort of, you know, central European function in the UK to, you know, coordinate equity coordinate, you know, I guess process and and governance effectively.

00:49:23;17 - 00:49:40;07

HOST

So we've been incredibly busy over the last few months and all these, the initiatives that you've been driving, we touched in and around ESG within that. Is there anything else you wanted to kind of expand on when it comes to ESG? And I think we spend a lot of time I spend a lot of time talking to people about the environmental aspects.

00:49:40;10 - 00:49:46;28

HOST

You've got to you know, you obviously have that as part of your consideration. But there's other aspects of the ESG agenda that you guys drive, too.

00:49:46;28 - 00:50:10;25

GUEST

Yeah. And we we hired about six months ago, Kathy Meyer, who joined us our first director of ESG. So she's firmly embedded in the company now and is, looking to further that agenda across, you know, the EDS and the G. Because, as you say, it's not just all about the I mean, the is fairly fundamental to new developments and making sure that we're liaising and getting right with our partners that would, you know, what they want to achieve.

00:50:10;28 - 00:50:36;27

GUEST

But from the side, I mean, one of the big initiatives which Chancery Gate has been sponsoring, I guess, for the past 3 or 4 years, is the charge great foundation, which is a foundation set up by Andrew and his wife to actually focus on trying to help to bring Afro-Caribbean youths into the real estate industry. So, you know, how do we address the diversity issue?

00:50:36;29 - 00:50:58;00

GUEST

It's very difficult to proactively at a senior level, you know, force an issue if you haven't got the right candidate. So how can we bring them up from the bottom into the industry? So what we what we've done, what the foundation does is it sponsors 3 or 4 students a year, and gives them effectively a grant to help them through university in a real estate degree.

00:50:58;02 - 00:51:15;26

GUEST

So this is the first year that we've had was our third year. So we've actually got a full cohort now. And so this will be our first summer when hopefully we'll be seeing some of the graduate. One of them's actually got a position on the graduate training scheme of saddles, which is fantastic. So it's really inspiring and rewarding to see those students coming through that process.

00:51:15;26 - 00:51:37;24

GUEST

And it's not just about financially supporting them, it's about giving them a mentor to help them as they come through the university process. It's helping them with work experience that's not just at Chancery Gate, that's with partners of ours who we can sort of expand on that work and help to sort of provide placements in different, different places because some of them are in some a, you know, general practice where some are building surveyor.

00:51:37;24 - 00:51:48;25

GUEST

And so it's very it's not just, you know, come and work for Chancery Gate. So, so yeah, that that's an important initiative of ours, which is very much driven by Andrew and his wife, as I say. And I think they've done a fantastic.

00:51:48;25 - 00:52:01;25

HOST

Job with that. Yeah. Amazing. And it's great to get in at the grassroots and see the, see the seeds and the benefit of that, for the years to come. Well, look, rich as we as we draw to a close. A question that I ask everyone that comes on the podcast is if I gave you 500 million pounds of the capital, who are the people?

00:52:01;25 - 00:52:05;23

HOST

What property and which place would you deploy that capital?

00:52:05;25 - 00:52:34;11

GUEST

So it's an interesting one. And then clearly on you can ask this and I've got two answers. I think one is probably pretty predictable in terms of what I just said about the long term sort of fundamentals of, of what we do. So I do think there is a place, if you're building a sort of long term portfolio for potentially ground out development, it might be buying existing assets in a sort of, you know, a diversified basis into the multi that urban logistics market, probably across Europe.

00:52:34;13 - 00:52:50;13

GUEST

But I think actually switching it away and remembering that it's only for the past 5 or 6 years that I've been an industrial sort of specialist, if you like. I think there are some interesting opportunities. There's always an interesting opportunity when a market falls off a cliff and and dies and everyone says, oh my God, that's never going to come back.

00:52:50;16 - 00:53:06;00

GUEST

And you look at what's happened with retail. Even now you can see the signs of if you buy the right thing, there's a nascent recovery coming through that. But I think some of the office stuff that's that that's sort of just being discarded and sort of ignored at the moment is it's going to make some people a lot of money.

00:53:06;00 - 00:53:18;00

GUEST

So I think from an opportunistic perspective in terms of how are you going to make money, you know, in the next 2 or 3 years, if I was to look outside the industrial space, then that that will be a space which I think I think is going to be interesting. One.

00:53:18;02 - 00:53:23;02

HOST

I know that people that you've worked with, or people that you admire or have had mentors that you bring along the journey.

00:53:23;04 - 00:53:43;26

GUEST

Good question. I think if you're looking into that space, I've worked with some and some some guys back in the Roxbury days where who we back to who? You know, we I work with the guys at Moore. They'll be alchemy. You know, they are all good. Really good sort of asset management development companies who who, I think get the fundamentals of that space and will and will deliver good product.

00:53:43;28 - 00:53:57;19

HOST

Amazing. Well, Richard, you've had a phenomenal career background and you're right at the forefront of driving the UK and European multilateral, space. So thank you so much for sharing a little bit about your story background. Excited to see what you're going to do.

00:53:57;22 - 00:53:58;29

GUEST

Thank you very much.

00:53:59;01 - 00:54:21;16

HOST

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00:54:21;19 - 00:54:48;24

HOST

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00;54;48;26 - 00;54;56;20

HOST

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