00;00;03;29 - 00;00;23;16
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;23;19 - 00;00;58;00
HOST
Welcome to the People Property Place podcast. Today we are joined by Christian Jamison, Managing Partner and CEO of Valor Real Estate Partners. Kristian set up in 2016 with investment partners Jeffrey Keltner and Robert Savage, with the idea of creating a pan-European real estate investment and asset management partnership focused exclusively on the logistics sector. Today, they have over €3 billion under management, spanning over 180 properties and 12,000,000ft².

00;00;58;02 - 00;01;22;15
HOST
Prior to valor, Christian established Talent Capital Asset Management in 2012, where he served as the CEO. He's worked at Robert Fleming, Credit Suisse, GE Real Estate and J.P. Morgan. Having graduated from the University of Bristol with a BSc in Economics and Politics. And it gives me great pleasure that he joins me here today. So, Christian, welcome to the podcast.

00;01;22;18 - 00;01;24;28
GUEST
Thank you. Matthew. Pleasure to be here.

00;01;25;00 - 00;01;46;12
HOST
Not at all. Well, look, I'm really excited to unpack your story and specifically how you set value up and created a leading pan-European logistics platform. But we'll get onto that a little bit later in terms of our conversation. But a place that I always like to start these chats is how and why did you get into real estate?

00;01;46;15 - 00;02;14;14
GUEST
Sure. Well, great to be here. I started my career in investment banking, in generalist mergers and acquisitions, which is very broad, very interesting, I guess. Place to start my business career. And it was there that I first started to, get involved in some real estate deals and I was immediately attracted to the sector. It was very dynamic, very entrepreneurial.

00;02;14;16 - 00;02;54;15
GUEST
I'm very transactional and of course, full of a lot of interesting characters. We were advising. I remember once pillar property, Raymond Mold, Patrick Vaughn, who, very sort of well known in the, in the UK property scene and very prolific investors and very interesting characters and yes, I really felt like it was a great career option for me, driven by economics, as you know, supply demand enable me to use the M&A skills, doing transactions, you know, have be surrounded by interesting, intriguing entrepreneurial people.

00;02;54;23 - 00;03;20;11
GUEST
So that's what attracted me to the sector. And I moved from investment banking to G Real Estate. Initially I joined GE as part of their M&A team, but very quickly transitioned into the real estate business, working in Paris and London. And it was, a fantastic team of people. GE is a great alumni. It's sad. It's no longer with us, but all good things come to an end, as I say.

00;03;20;11 - 00;03;48;08

GUEST
So it was a fantastic experience. And of course, this is coming up to, you know what, I ended up becoming the GFC. But in the run up to that in the mid 2000, GE's funding model was using its triple A balance sheet, which had always been a huge advantage for it was starting to sort of come on the pressure because other people were able to borrow so cheaply, both in syndicated lending and the CME's markets.

00;03;48;08 - 00;04;15;28
GUEST
When useful spreads on debt coming down to to really fine levels. And that kind of I found very interesting. And, you know, I really wanted to understand a little bit more about debt structuring because GE always structured all its real estate business, or real estate investments via its corporate balance sheet, whereas almost. Well, a lot of the other industry, participants would fund that, the asset level.

00;04;16;00 - 00;04;49;22
GUEST
And, and I felt like the asset level borrowing structure was something I was missing in terms of my understanding of real estate. So that that kind of prompted the move to JP Morgan, which was a fascinating place and again, a great sort of group of people and a great sort of alumni, and then a fascinating place to work as the GFC unfolded in kind of 2008, 910 and, you know, I guess JP Morgan came out of that very strongly.

00;04;49;24 - 00;05;21;01
GUEST
And it was, you know, it's a fascinating experience, but ultimately, I think with real estate, you know, I wanted to be on the buy side. I wanted to be doing something a little bit more entrepreneurial, a little bit more as, as a principal. So having been sort of an advisor, working for a big corporate machine, which was was a principal investor, but within very sort of firm parameters as a variance, that usual place, GE capital as it was and then as, as a banker.

00;05;21;03 - 00;05;50;06
GUEST
But really that though those experiences I think gave me the sort of strong foundations to then try and really be more entrepreneurial and try and set something up, that's what happened initially working with some Russian investors, which was, again, a very fascinating, sort of experience and something I'd never done. I did some deals with them in, in Moscow selling, selling buildings, selling them very successfully, I might say.

00;05;50;06 - 00;05;51;22
GUEST
So the GFC kind of.

00;05;51;24 - 00;05;53;07
HOST
So this is while you're at JP Morgan?

00;05;53;07 - 00;05;58;14
GUEST
No. After I left. So bit so. So I left JP Morgan. I think it was 2010.

00;05;58;14 - 00;06;03;24
HOST
And you're working on debt and equity investments across the UK and Europe or.

00;06;03;27 - 00;06;31;12

GUEST
When I was a G, I was working at debt and equity investments principal investing. So we were doing privates, buying single assets, working a lot with operating partners but also buying junior debt. Yeah. And it was because I was involved in buying junior debt that I knew the JP Morgan team and the JP Morgan team really wanted to expand, and that's why I ended up leaving GE to join JP Morgan in that debt to real estate structured finance.

00;06;31;17 - 00;06;35;03
HOST
So you moved into being more of a pure debt, pure.

00;06;35;03 - 00;06;38;16
GUEST
That first year debt focused banker, JP Morgan.

00;06;38;21 - 00;06;46;27
HOST
And the timing was 2007, 2009. So from a kind of a lending perspective since like.

00;06;47;00 - 00;07;11;07
GUEST
Yeah, from a lending perspective, it was kind of full circle, right? So in 2007, when I first joined, was it 070 of six? But anyway, the market was on fire. I mean, it was almost, I remember as a joke sort of going round that, you know, you take the LTV and that's the spread. So, so 75 LTV loan to value loan.

00;07;11;13 - 00;07;32;05
GUEST
We can do that for 75 basis points. I mean, I'm not even sure. You know, you get a senior lender to a 75 LTV loan today. And if it if you they did, I mean, it would be priced in the 2 to 3 hundreds, right. So it was very tight margins and the market was just going crazy.

00;07;32;05 - 00;07;52;13
GUEST
I mean, there was 1,995% LTV financing available. It was pretty racy as as we all know now, we will reflect on anything. Oh, how crazy that was. But at the time it was. What was the Citigroup guy say? You know, as long as the music's playing, you got to keep dancing. And it was it was an element of that.

00;07;52;13 - 00;07;56;13
HOST
I think it was just a culture of just money. Out the door land. Lindland.

00;07;56;16 - 00;08;23;03
GUEST
Listen, we were, a lot more conservative at JP Morgan than other places. And as a result, JP Morgan emerged from a position of strength. But, you know, we JP Morgan did acquire Washington Mutual, then Bear Stearns. I mean, Bear Stearns came with a lot of loans that they were packaging together to securitize, and those were illiquid at that point in time.

00;08;23;03 - 00;08;49;18
GUEST
So that was, you know, that created some challenges. But it was it was like having a ringside seat as you watch this sort of financial system, you know, it's a slow motion car crash in a way. But listen, it, you know, the euro survived well, continued and actually was a, in a way a perfect opportunity and a perfect time to set up a new business.

00;08;49;20 - 00;08;50;07
GUEST
Can I.

00;08;50;10 - 00;09;10;05
HOST
Can I can I just interject right, just before we get on to that? So I want to spend quite a bit of time there. But reverb rewinding the story it. So did you have any family in real estate and what was the decision also to go and study economics and politics at Bristol? Was it because you always wanted to kind of get into banking?

00;09;10;07 - 00;09;31;17
GUEST
I think economics and politics was the decision around. Yeah, I knew I wanted to general career in business, maybe in investment banking, maybe not. I did an internship at JP Morgan when I was in my after my second year at uni, and that sort of got me into the, oh, I want to be an investment banker. You know, this is so cool.

00;09;31;19 - 00;09;57;01
GUEST
But the decision to economics was more a sort of I want to go generally into business. And I was also conscious, like I'd never studied economics before, and I felt like that's something I should, you know, have some understanding of. I was good at maths and I thought I could pick it up. And then politics, I mean, politics affects everyone, you know, that's, you know, an important part of, you know, government, society.

00;09;57;04 - 00;10;10;12
GUEST
Yeah. Like you never really study it, never really get into it. And I really felt like I was something I wanted to, to learn about. It is a fascinating subject. I mean, I really enjoyed it.

00;10;10;14 - 00;10;19;02
HOST
And so post post University, did you do the milk rounds at some, some banks or, you know, financial institutions before landing at Robert Fleming or. Yeah, I.

00;10;19;02 - 00;10;43;06
GUEST
Did, I did and that was yeah, that was quite, quite a sort of slog during the last year, Robert Fleming were a smaller, independent British bank and, you know, I felt like the graduate training program, the sort of they were a little friendlier than some of the other banks. And, you know, I thought it was it was a good place to start.

00;10;43;09 - 00;11;08;07
GUEST
And then I was there for a year and a bit when the opportunity came to join Credit Suisse First Boston, as it was then, and it was quite sad to see what's happened to Credit Suisse. But back then it was a real powerhouse. It had a, leading technology franchise, franc, Citroen and KSS financial products, as was then, was a huge derivatives trading house.

00;11;08;07 - 00;11;38;09
GUEST
And Ccep was, a leading it was a bulge bracket investment bank. And so it was it was great to, I guess, experience that kind of more traditional corporate finance, British merchant banking model, and then the kind of us I mean, CSF B's headquarters was very much New York, not Zurich. And the kind of US

investment banking bulge bracket culture completely different and super experienced.

00;11;38;09 - 00;12;11;12
GUEST
I mean, it was five years between the two of them, a year and a half at Flemings and then three and a half years at TSB. I mean, in that time it's almost like you get ten years worth of experience in five years. I mean, it was really long hours, pretty intense. But a wonderful foundation for the rest of my career in terms of teaching you work ethic, attention to details, you know, the modeling, etc., etc. but look, I also realized I was not going to be an M&A banker all my life.

00;12;11;12 - 00;12;42;19
GUEST
I mean, it's you get a very broad exposure, which is perfect for your early career, but it is you really are bouncing from pharmaceuticals one day, building materials, you know, media, real estate to the, you know, you you're bouncing around all different kinds of sectors, which is fascinating in a way. But, you know, I wanted something where I could have a little bit more continuity, where, you know, the knowledge could build upon itself and you could become a really sort of a deep kind of expert in one field.

00;12;42;19 - 00;13;03;08
GUEST
So I enjoyed it. I made a lot of, you know, really good friends when you're sort of in the, in the trenches you work in. So, you know, the early hours of the morning on a daily basis and it's, it's quite grueling. It was we were young and we enjoyed it. And it was, work hard, play hard.

00;13;03;10 - 00;13;14;07
GUEST
So it was good fun. And then we did a associate training program in New York, which is really good fun, I can tell you. So, yeah, it was it was a good experience.

00;13;14;10 - 00;13;23;07
HOST
And what was it particularly about real estate that stood out for you over and above pharmaceuticals or media or tech or the other kind of sectors? You're looking at? I mean, it was I.

00;13;23;07 - 00;13;50;22
GUEST
Was a transactional business. It was like, you know, you really are buying, you know, assets. The whole time it was, you know, that kind of always doing deals and finding deals. It was the characters. And then it was it was a sector that's really driven by economics. I mean, what's going on in the economy, interest rates, you know, these are key drive overs of occupational demand, which ultimately drives rents.

00;13;50;22 - 00;14;00;28
GUEST
So it I felt like combine lots of elements that enabled me to kind of utilize the skills that I sort of gathered from investment banking.

00;14;01;01 - 00;14;17;29
HOST
So you'd worked across the equity M&A advisory. It came came to a stage where you left JP Morgan. Can we pick up the story there and just talk, you know, just about why you left and then just talk to me, you know, about the kind of the Russian deals that you were doing and how that kind of delved.

00;14;18;02 - 00;14;41;07
GUEST
Well. So the JP Morgan, I mean, we growing the team hugely. And of course global financial crisis

happens. There's no need to there's no syndications market. There's no CMBS market. There was you know we then shrunk the team right now. So there was there was just no role left really to to do that sort of lending that JP Morgan had wanted to do was no longer available.

00;14;41;13 - 00;15;13;05
GUEST
But it was, as I said, a really good opportunity to start afresh and, you know, these cyclical events, there's always this reshuffling of the decks. And you see some players sort of fall by the wayside. Some players emerge and actually created a great opportunity. I suppose, you know, coming was, you know, ten plus years into my career, you know, I've had enough experience to really sort of start something new.

00;15;13;07 - 00;15;38;29
GUEST
And, you know, real estate debt is interesting. But, you know, the high returns, the super profit, I mean, that's by the equity, not a lot of debt. And, you know, you, you know, clever use of leverage is an important part of generating returns. But ultimately, you know, the returns, you know, the equity stories is more interesting to me.

00;15;39;01 - 00;16;02;21
GUEST
And I was pretty clear in my mind. I wanted to get more on to that. The by side, doing my own thing, trying to generate profits for investors and participating in that was, you know, wanted, and that's ultimately, you know, in my mind, the, the most interesting part of real estate is if you want to sort of create your own businesses.

00;16;02;21 - 00;16;26;08
GUEST
I mean, if you, you know, I said back at the beginning, you know, how we worked with pillar property. And if you look back at, Raymond and Patrick, you know, they had a history of creating platforms, selling them and reinventing themselves. And you look throughout the real estate space and there's lots of those serial entrepreneurs that kind of were able to create platforms and, you know, do very well out of it.

00;16;26;08 - 00;16;30;22
GUEST
And that's that's sort of what I wanted to try and and do more of.

00;16;30;22 - 00;16;41;18
HOST
Did you struggle changing hats from debt, downside protection, you know, limiting, looking at risk mitigation versus flipping to be more equity and upside? I mean.

00;16;41;18 - 00;16;54;23
GUEST
Not that much because that's what I was thinking G so G was mainly equity investing. It was using the GE balance sheet to leverage that equity. But it was mainly looking at generating equity returns.

00;16;54;23 - 00;17;06;12
HOST
So the JP Morgan debt experience kind of rounded that that kind of broader experience of. So you could know how to to leverage it or utilize it effectively when you're looking at it from an equity perspective. Yeah.

00;17;06;18 - 00;17;40;12
GUEST
That's right. So yeah, I sort of had got the ingredients I suppose through these various experiences. And

then yeah, coming out of GFC, I was doing my own thing, trying to work with specific investors on specific deals, mainly high net worths. I mean, you know, there was a moment in time where you could buy long, like, warehouses to, like, supermarket covenants at 8% yields, I mean, 15 year income.

00;17;40;12 - 00;17;52;08
GUEST
I mean, you're getting all your money back and more from contracted ran and then you're effectively owning the asset for free. And there was there there's a window to do these types of deals. So I was working with some high net worth individual clients.

00;17;52;08 - 00;17;54;04
HOST
Just under your own tonnage.

00;17;54;09 - 00;18;27;09
GUEST
So just under my own steam, just trying to put them into some of these specific opportunities. And that's how I met these, Russian investors who we set up dabbling capital with and, and it was, yeah. Igor and, and his sort of cohorts, they, we sort of I started working a little bit with them on a kind of trying to find them investment opportunities, but then it kind of emerged that they weren't quite ready to.

00;18;27;09 - 00;19;01;00
GUEST
The investors still wanted to get to know them off a little bit more, but had a lot of exposure still in Moscow, a lot of, office buildings that they had, which they wanted to sell. And so I helped sell some of those assets, realize, I think, several hundred million dollars worth of proceeds, a decent proportion of which we then took to create the cap one fund capital preservation portfolio, one with Darling Capital Asset Management as the fund manager of that vehicle.

00;19;01;02 - 00;19;26;04
GUEST
And that was the genesis of that on capital Asset Management hired, I think it had a cat trigger on the podcast. I've have to help initially with the Moscow stuff and then to launch the industrial strategy in Western Europe, DeCamp or Dublin property, as it's now known. And we had another team. I mean, Julian Gardner was hired as our asset manager, and he is now Mia with the cap, I think.

00;19;26;06 - 00;20;04;20
GUEST
And you know, we had a whole whole team anyway. And it was really successful. Bought over €500 million worth of real estate. I mean, it was perfect timing when we started it buying in 2012, pretty much the same time as the logical or, you know, Blackstone initially started buying into the sector in a quite an aggressive way. And what attracted me to industrial was, you know, having been through the economic turmoil of the GFC, it was about finding a sector where there was going to be demand growth, even in the absence of economic growth.

00;20;04;22 - 00;20;28;11
GUEST
And e-commerce was starting to come through and it was such an undoubted trend. It was clear as day to me that that was going to really take, I mean, continue to grow. I mean, the just the convenience technology evolving. I mean, it was I think it was clear that there would be a structural change within logistics as a result of e-commerce.

00;20;28;14 - 00;21;00;25
GUEST
And so and then also at that time, there was industrial was still trading at a huge yield premium to

traditional office and retail. And so you've got why do you really sustainable demand growth. And it's like you know what's not to like. And it was still fragmented, overlooked by a lot of institutions. I mean, there was a lot of compelling reasons to start investing in industrial and logistics assets.

00;21;00;25 - 00;21;24;20
GUEST
At the time, which is what we did. It was kind of a core plus type strategy, so it was about generating income and total returns in low double digits. But because of the timing and because of the cap rate compression, the rerating in the sector, I mean, it massively outperformed and it was sort of mid to high team returns, which is great.

00;21;24;22 - 00;21;49;27
GUEST
You know fantastic. Good for for the investors. But we sort of got to a point where we kind of invested all the money and it was like, well, what next? You know, I wanted to really institutionalize the business. I mean, the thing about risk, as you know, it's very capital intensive and you really need to have, deep pocketed partners in order to continue to grow.

00;21;49;29 - 00;22;12;14
GUEST
And to me, it was crucial that we institutionalized the business, find institutional money to keep the growth. But that was really challenging under the constraints. And, you know, having sort of spent a year banging my head against a brick wall, trying to kind of push water uphill, it just it didn't feel like that that was going to be forthcoming.

00;22;12;14 - 00;22;25;22
HOST
And to be clear, you mean to take the platform and build on the track record you've already got go and raise third party institutional money to, get in to back up, what are you doing? And, and expand it further, precisely.

00;22;25;28 - 00;22;33;01
GUEST
Precisely to go direct to LP capital pension funds, private insurance companies.

00;22;33;03 - 00;22;35;10
HOST
Supercharge the platform and scale it out further.

00;22;35;10 - 00;23;08;00
GUEST
Yeah, scale it up further. I mean, it was we'd got the trend right. It was. That was a huge opportunity in the sector. But if you don't have the capital, you mean you can't take advantage of it. So it was very clear to me, having kind of spent I guess, a year really looking at all the possible options that the best option would be to start again and doing a slightly different construct.

00;23;08;03 - 00;23;39;22
GUEST
.1.2 was, as I said, there was this huge rerating, huge cap rate compression which we've witnessed in the big box space, and I felt it was, you know, I didn't realize it would keep going. That's what it did. And I felt as though this was really a time to target rent growth, to drive returns rather than just looking at, you know, when with cap rates as low as they were, it was important to grow the income I felt to generate returns.

00;23;39;24 - 00;23;59;27

GUEST
So I was were more interested in pivoting to kind of, and logistics where things were smaller assets, smaller units. But more supply constrained, higher barrier to entry markets where you would see more rent price versus the sort of bigger box, more commodity space where.

00;24;00;04 - 00;24;01;26
HOST
Which is what you're doing, which is what I was.

00;24;01;26 - 00;24;28;25
GUEST
Doing for for Dylan. So those two things there was the fact that, well, the capital was somewhat capital constrained at the time and also wanted to kind of pivot into a slightly different, investment strategy, which I don't know how easy that would have been to, to do in within the sort of Dylan framework. So it was obvious to me that it was time to kind of move, move on.

00;24;28;27 - 00;24;54;18
GUEST
I met with a couple of private equity groups who'd expressed interest in in the strategy shift, in sort of backing me outside of the the sort of Dylan construct. And I was also at the time that I met via, my good friend James Jacobs, Lazard, Jeff Counter and Bob Savage, who James knew because he'd raised one of that or helped raise one of their private equity funds.

00;24;54;18 - 00;25;18;04
GUEST
But they had a business called KKR Capital Partners in the US, which had rates raised three co-mingled private equity funds, been very successful and had sold all of the assets and the funds, together with the platform to Prologis, the Prologis Norge JV. At the end of 2015. And that's the time that I met them. They were in London.

00;25;18;05 - 00;25;55;24
GUEST
They were wanting to meet with participants in the market. They thought there might be opportunity in Europe. They were not. They were bound by non-compete in the US in any case. But I think they felt the US market was super hot. Maybe there was more opportunity in Europe. It was in that context that I met them. They kind of recognized the challenges I was facing and sort of said, look, if you want to do your own thing, you know, call us, send us your business plan because this is, you know, we do think there's opportunity in Europe from both from a sort of sector perspective in terms of, you know, that kind of rent

00;25;55;24 - 00;26;25;21
GUEST
growth that they were starting to see in the US and I'd seen it in Europe. But also in terms of creating a real sector specialist focus on that urban niche, and in terms of capital formation, where they felt there was a lot of platforms who were sort of aligned to a specific source of capital, but maybe there was an opportunity to kind of have a sector specialist with broader funding, a bit like that right back at CTL.

00;26;25;23 - 00;26;32;26
HOST
So because it was there wasn't that many single track, single focused platforms that particular at the time. It was very small back then.

00;26;32;29 - 00;26;35;08
GUEST
No, no, there's loads now. But it was it.

00;26;35;08 - 00;26;41;07
HOST
Was kind of office, industrial and retail and office was the kind of the ugly brother as it was.

00;26;41;07 - 00;26;58;00
GUEST
It was, it was the it was the ugly duckling. Definitely was certainly when we started. And then I mean, it was interesting when you, you know, Blackstone started piling in, I think a lot of people sort of took notice. And it's interesting because that it was a logic for initially and then it was sort of mile away, which is much more kind of.

00;26;58;02 - 00;27;01;16
HOST
Well, M7 Onex incubated it and then it spun.

00;27;01;16 - 00;27;11;03
GUEST
Out and that, that had I mean, that probably overlaps more with what we do than the sort of logic for in a way. So anyway, that was.

00;27;11;05 - 00;27;24;11
HOST
It was taking the kind of the, the track record and the experience of, of Jeffrey and Robert and the kind of the platform building over in the US taking their experience, having them cashed out as well, and kind of setting and taking some of the learnings and setting up a.

00;27;24;17 - 00;27;25;14
GUEST
100% a.

00;27;25;14 - 00;27;26;27
HOST
Platform over here, replicating the.

00;27;26;27 - 00;27;33;20
GUEST
Model. I mean, look, I had I know enough people interested in doing something that it gave you the confidence to to leave that one.

00;27;33;22 - 00;27;37;15
HOST
From an LP perspective. Well.

00;27;37;18 - 00;27;55;26
GUEST
In terms of setting up more, the I would say, but the private equity groups that I was speaking to were interested in investing in the GP, investing capital, but owning, say, half the platform and then a little bit like, you know, some of the platforms today where, you know, you've got a big P group.

00;27;55;29 - 00;28;02;10
HOST
Like a boreal Cadillac or, you know, Ontario now in part the platform and then give them a significant amount of capital.

00;28;02;10 - 00;28;04;04

GUEST
Yeah, exactly.

00;28;04;06 - 00;28;29;17
HOST
Did you want to have that relationship or not? Because I find when I talk to founders or owners, some don't mind getting kind of wedded to a particular capital source, depending on how much capital and what they're kind of commitment, value and aspirations are. And others are very, very keen to remain independent and be able to maybe set up or have relationships with different capital sources for different funds or series or whatever it might be.

00;28;29;17 - 00;28;36;20
HOST
But they're very clear that they don't want the capital to own a stake in the GP. What was your view at the time? And what did you decide to do?

00;28;36;23 - 00;29;01;02
GUEST
Well, I was open minded about it, but I mean, I think, you know, given a preference, you'd rather be independent. You only get sell once and actually selling right at the beginning is maybe not as good as selling close to the end. But I was, you know, I wanted to get the business set up. I mean, I also realized, I mean, one of the, I guess the learnings I had from, from Dylan was, you know, trying to do things on a very tight budget.

00;29;01;02 - 00;29;26;28
GUEST
Is is possible, any sort of way. We've got incremental fee revenue. And then you hired one more person, right? So you could see a but but it's slower and actually it's a huge opportunity cost. And so, you know, I was very keen to have a sufficient capital, working capital to kind of hit the ground like hire more quickly, get in into the market more quickly.

00;29;27;01 - 00;29;51;27
GUEST
So it was important that I have a partner. So I was open minded. I mean, the P group that I was most I guess in, in the most detailed discussions with was kind of a permanent capital vehicle. So they could be a very long term partner, but with Jeff and Bob, you've got two entrepreneurs, two guys with an incredible investment track.

00;29;51;27 - 00;29;53;03
HOST
Record.

00;29;53;05 - 00;30;18;13
GUEST
And with direct experience of building a platform from scratch. So they came with a lot more than just some capital. They came with all of that experience and contacts and, you know, their LPs were extremely happy with the returns that that generated, which was sort of best in class. So I mean, they have like a 20 year track record of 20 plus R.

00;30;18;13 - 00;30;21;21
HOST
So it was that straight in? Yeah.

00;30;21;21 - 00;30;56;11
GUEST

It was pretty clear to me that actually, you know, that they would be the right choice of partner. They bring a huge amount to the table that will accelerate valor and enable it to be even more successful. And, you know, no regrets. I mean, that they have been, you know, fantastic to partner with. And actually it was through them Kane and Politano, who's, our CIO and also managing partner with me now has been was a, an ex CTL guy who is in London working for Brookfield.

00;30;56;11 - 00;31;28;24
GUEST
Guiseley. Yeah. And you know he's been a huge sort of driving force behind the business as well. And he came in pretty much day one. And you know that's been a fantastic sort of contribution. And then Victor Masi outside of developments came via a relationship with Kane. And he joined pretty much straight away. And then Brad Stitchery, head of asset management is also an ex CTL guy who we hired about I think it was around a year later.

00;31;28;26 - 00;31;53;03
GUEST
And then Matt Phillips, who's our CFO, hardest working man in real estate and say is was through lots of introduction again and, you know, I've been really lucky to have such a fantastic kind of senior team that we brought in. You know, early on within the first year, all of the sort of partners were in place.

00;31;53;06 - 00;32;23;08
GUEST
And that's been an absolutely crucial element in sort of driving this success. But yeah, listen, I, I was very I feel very fortunate to have had the chance to sort of do it twice and sort of learn from, you know, those experiences and, and kind of be a lot clearer what we're sort of trying to do. I mean, the investment strategy, urban infill, granular assets, aggregating scale has been has proven to be spot on.

00;32;23;12 - 00;32;46;22
GUEST
I mean, the rent rates we've witnessed has been explosive. Of course, things have slowed down now along with the rest of the economy, but still, we're very much in the black on most of the investments we've made. Significantly, we did a very successful recap of the. So initially we started doing some deals with our own capital, but then AIG, we brought on the.

00;32;46;22 - 00;33;05;17
HOST
You know, I was going to ask you, how did you start? You know, the first couple of deals, how did you kind of get them off the ground? And what was the what was the strategy as well? You talk about it being kind of of like last mile or kind of urban urban, that more granular type schemes. What was the was it kind of core plus value add value, opportunistic type returns.

00;33;05;17 - 00;33;10;12
HOST
And then how did you kind of, you know, do your first deal and then first hand, as it were. Sure.

00;33;10;12 - 00;33;33;18
GUEST
So we yes, the opportunity we felt was in kind of urban hybrid and free kind of last mile space, particularly around the big cities. So it was London, and Paris was kind of the initial focus of value on strategy. So we wanted to generate mid-teen returns. But we've always been very conscious that that's going to be the average return.

00;33;33;18 - 00;34;08;17
GUEST
And so some deals we may do more opportunistically. You know, buying land, developing speculatively,

but others we may. Do you know that a lower return, more kind of stabilized mispriced income, is sort of how we describe it by income producing assets, which we feel on a really good basis, or maybe under rented to, you know, vacancy refurbishments, repositioning, you know, so the the idea is to curate some portfolio, that encompasses different elements, different risk profiles.

00;34;08;17 - 00;34;30;19
GUEST
But the average return should be mid-teens. We initially started doing deals using our own capital. Geoff and Bulb were able to to fund a few transactions. And then and we were speaking to to to LPs. I mean, I remember we were speaking with one North American state pension plan that Geoff about will have a very good relationship with.

00;34;30;19 - 00;34;54;26
GUEST
And they they were very supportive of doing something with us, and we'd sort of been through the due diligence and we were we were sort of on the cusp of doing something. And that was before the elections in the US. And Trump came to power. We were like shock, horror. Well, unfortunately, that state had a new governor and a new treasurer, and they put a stop to all new private equity investments.

00;34;54;28 - 00;35;23;16
GUEST
So that set us back a little bit. But then we were able to pivot to AIG and they came in as our first partner. We took the initial assets with acquired into that vehicle. And yeah, we did a bunch of, you know, a whole load of deals with them for, you know, I think a good 18 months built up this portfolio, know which we then recapitalized years later with Blackstone.

00;35;23;16 - 00;35;48;12
GUEST
And that was, that was very successful. I mean, it was sort of vindication. I mean, the strategy in our minds, it's about offering downside protection, but the potential to make outsized returns. So that sort of risks, you know, we feel are skewed on the upside. And this portfolio was over a billion of of asset value. And yeah, we did over you know around the forex and you know.

00;35;48;14 - 00;35;49;23
HOST
Forex on equity.

00;35;49;23 - 00;35;53;27
GUEST
Yeah. And 40 plus IRR. So it was it kind of.

00;35;53;29 - 00;35;56;16
HOST
Knocked it out of the park, fund one right.

00;35;56;22 - 00;36;34;01
GUEST
Yeah. It was, it was sort of vindication of the strategy, but it was. Yeah. You know, good stock selection hit the, well rent growth, it exceeded expectations. Then of course, you know, cap rates still continue to fall beyond probably what we'd expected at the beginning. So yeah, it was it was a strong performance. And then we kind of brought on another North American investor after AIG, a Texan private equity group that was sort of very friendly with, Jeff and Bob, as we kind of contemplated, do we want to raise a co-mingled fund?

00;36;34;01 - 00;37;07;15

GUEST
Do we, you know, what do we what's the best opportunity for us to continue to grow? So that was a really good interim investment. We had a, a few, a couple of hundred million of equity to, to keep investing while we contemplated what was next. We pivoted away from AIG and worked with these guys. And then we kind of felt like, obviously raising a co-mingled fund is a very time consuming exercise and quite expensive.

00;37;07;18 - 00;37;23;15
GUEST
And the market was still moving very quickly, was lots of opportunities getting thrown out. But we were also seeing lots of growth coming through, and it felt like the opportunity cost of being out of the market would be quite big.

00;37;23;18 - 00;37;24;22
HOST
While you raised the fund.

00;37;24;23 - 00;37;48;11
GUEST
Yeah. While you raised the funds. And we had approaches from direct approaches from big LPs saying, you know, we would like to do stuff with you guys such that we were we felt the right thing would be to sort of, you know, why not? You know, if you've got this opportunity to kind of keep going, keep growing the platform, why would we not take it?

00;37;48;11 - 00;38;21;07
GUEST
And the economics on offer was kind of fun, like fee structures. So it felt like this was the right option for us. Then we partnered with quadrille, the British Columbia real estate. Then it's like there's JD.com who've been great partners. I mean, they're there are really stand up guys. And we did an initial program with them, bought around €1 billion of real estate, and then they re-upped and gave us, you know, around a billion of new equity to continue that program.

00;38;21;07 - 00;38;48;01
GUEST
And we're still, I don't know, around a quarter of the way through investing that. So we've still got plenty, plenty of firepower and that's sort of where we are today. We've we've grown the business to 50 people. We have offices, main offices in London. And then we have a pretty decent sized office in Paris, just off the on the chandeliers and, a smaller office in Berlin.

00;38;48;03 - 00;39;22;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 present and enables us to keep doing what we're doing.

00;39;22;22 - 00;39;35;27
HOST
So if you haven't already, please follow or like on the platform you watch or listen to. Thanks so much. And the strategy has remained the same.

00;39;35;29 - 00;40;07;13
GUEST
We've been very true to our conviction. So these is absolutely urban infill assets. We're active in around a dozen gateway cities across Europe. But really two thirds of the portfolio is still London, Paris or even

70%, I mean, but then we're in Manchester, Birmingham, Lille seem to be Marseilles, Rotterdam, Amsterdam, Berlin, Frankfurt, Dissell Dorf, and those are the main ones, a couple of other German cities.

00;40;07;19 - 00;40;22;29
HOST
Have you seen the. I'm sure the answers can be. Yes. We've seen the competitive landscape change from when you first started the business, who you're putting up against by these assets compared to now. And have you also seen a change in occupier for these types of assets as well?

00;40;23;02 - 00;40;51;17
GUEST
I mean, the competitive landscape certainly changed. We've seen more and more new entrants, which is which is fine. I think we still believe we're slightly different. And the reason we're slightly different with, with so focus on on really pure, one and only the biggest cities. I mean, as I said, the majority of what we have is London and Paris and really we're in a number of other cities.

00;40;51;17 - 00;41;19;14
GUEST
But the mainstay is those core, the biggest, two biggest cities in Western Europe. And that's the strongest e-commerce demand. That's that's absolute bedrock. And I think others are are more spread than we are a bit less concentrated. But yes, there is more competition. But there's always been competition. I mean, you know, London was held up as, oh, that's the hardest market to penetrate yet we've probably got a market leading position.

00;41;19;16 - 00;41;46;24
GUEST
You know, we can by being concentrated, you know, we've invested huge amounts of time and money into our proprietary database. We have thousands and thousands of data points on individual buildings, leases owners across the markets were active in. Because we have scale. You know, we're seeing occupier trends. We're we have very good Intel on the RVs and and we're pounding the streets.

00;41;46;24 - 00;42;08;18
GUEST
I mean, we work hard. I mean, we're we're doing a lot of off market deals from private owners. And it just you have to invest lots and lots of time, and you need boots on the ground. So it's not it's not like it's super easy to replicate unless you are willing to sort of build a 50 person team and dedicate your life to it.

00;42;08;21 - 00;42;12;01
HOST
It's actually the granularity of the granularity, you know.

00;42;12;03 - 00;42;32;07
GUEST
The private sellers. I mean, you know, we're looking at deals now that we may have started speaking to the guy 3 or 4 years ago. You know, because things change, life moves on, whatever. But you got to have like, hundreds of irons in the fire and then, you know, you know, one will come hot, then the other one.

00;42;32;07 - 00;42;57;01
GUEST
But, you know, unless you've sort of spread yourself across the whole market, you know, you don't get the volume. I mean, we're, we're doing, you know, because it's you learn from, you know, we've closed over 100 deals since we've been going and you've got to you got to keep going. You know, when you're buying smaller lot sizes, you've got to do lots of deals to to get the AUM right.

00;42;57;01 - 00;43;13;13

GUEST
So we've built a fantastic machine. Teams you know been kind of victor as well helping. But I mean yeah we've really built a fantastic team in the investments group. And you know that's how we get get the volume.

00;43;13;16 - 00;43;27;13
HOST
So we touched on the e-commerce growth and catching that way. That wave you just talk about kind of the attrition of land in in this space as well, and maybe what your backup business plan is for some of these assets too.

00;43;27;16 - 00;43;52;29
GUEST
Yeah. So we don't underwrite change of use typically or we don't. But that does that I kind of come along I mean there's a site we have in West London, the council want it to go racing. I mean, they want to build, you know, a few hundred units on the site. That will be a huge upside. But we are always underwriting a deal in our sort of base case of keeping it industrial.

00;43;53;02 - 00;44;19;05
GUEST
This is part of why we like the sector so much and why there's been so much rent growth is you're right, there's been a gradual erosion of industrial land around London. That's from in Docklands going way back, you know, Crossrail, the Olympics, residential affordable housing. I mean, you know, in barking, New England, we have a park. I mean, you can see, you know, blocks of flats, abutting it.

00;44;19;05 - 00;44;46;05
GUEST
I mean, that that's typical in bow. It's the same thing Canning Town. And so this pressure on alternative uses, I mean, Seeger, I've done a lot of studies, but they'll show the consistent decline of industrial land in London. But that's happened at the same time that everyone's like ordering on Amazon, Ocado, you know, e-commerce has boomed. So supply is falling, demand's increasing.

00;44;46;05 - 00;45;13;29
GUEST
I mean, no kidding. You've got this rent growth. Yeah. That's something we, we see consistently. I don't see that necessarily changing because cities are continuing to grow and people need places to live. And and it's what what you see is council's, you know, pushing for increased density, which you know, you know from a on face value. You say, well, maybe that makes sense.

00;45;14;01 - 00;45;30;26
GUEST
But actually occupiers want sort of the reverse. They they want low site coverage. They want lots of space that park their vehicles to charge their vehicles to facilitate high throughput. And so you got this tension between.

00;45;31;01 - 00;45;32;02
HOST
What multistory.

00;45;32;03 - 00;46;03;00
GUEST
Car the council kind of want intense to to intensify the land usage, whereas the occupiers would rather have like huge car parking spaces and huge areas to charge all their electric vehicles at night. So they want something different to what the council on. And so there's some tension there, but that's why, you know, we love deals like the sort of Greenford estate we bought last summer, like late summer last year,

because it's very low site cover and it's kind of irreplaceable.

00;46;03;00 - 00;46;22;12
GUEST
I don't think you're going to get planning permission for those type of low site cover assets around London now, because it goes against what the council are trying to achieve. But I can see demand for them staying at a very high level and increasing because it's great for e-commerce delivery.

00;46;22;14 - 00;46;27;03
HOST
Is there such thing as kind of super prime warehouses coming into the market?

00;46;27;08 - 00;46;35;26
GUEST
And I mean, there might be even a final lull in the way you're thinking of like super prime hotels. I wouldn't say that, like more luxurious or anything.

00;46;35;26 - 00;46;38;05
HOST
Yeah, but what what does that terminology mean in terms of.

00;46;38;05 - 00;46;52;17
GUEST
What it means to me is sort of what I was saying just now, which is I would say super prime is like best in class functionality, like big yards, good clear highs, etc. but it's really that yard space and power.

00;46;52;23 - 00;47;08;07
HOST
Yeah, I was gonna say how it powers is a big thing, a change of use in terms of data centers. And I think there was something in Acton recently that was an industrial, property that had really good power and connectivity in a data center platform. I mean, yeah, over the you get.

00;47;08;07 - 00;47;30;17
GUEST
The power, data centers, you know, like to be the highest value you use right at the moment. No, there's a big power shortage. I think getting the power is is a big challenge. And and actually, like, just more sort of macro. I mean, that's going to continue to be an issue because, you know, at the same time we've also got this energy transition.

00;47;30;19 - 00;47;59;14
GUEST
So you've got demand for power increasing electrification, I etc.. But also people want to rely less and less on fossil fuels, understandably so. But I what feels the void. So you got demand for power increasingly massively plus potentially the supply of power sort of reducing because you're going to do less fossil fuels. So there's a bit of a conundrum, around power sort of more globally.

00;47;59;14 - 00;48;13;11
GUEST
And you see that in, in, in real estate, I mean, in West London right now, it's very hard to get the power you want, but you're right. What would be super prime? It would be those things. And, you know, lots of power, best in class functionality, big yards and then lots of power.

00;48;13;14 - 00;48;23;13
HOST
And they demand it. And occupiers demanding kind of sustainability and ESG. Is that you or just given the

nature of them, it's kind of not there quite yet. No.

00;48;23;15 - 00;48;53;09
GUEST
Yes. I think occupiers are very conscious of it and they will have policies around it. We do what we can to improve the ESG scoring, and we have, we do our Gretzky report every year. And, you know, we need to improve on that. But buying older assets and improving them is often a better carbon story than just knocking it down and then building an outstanding in its place, because a lot of the embedded carbon is in the build.

00;48;53;12 - 00;49;17;28
GUEST
So yes, we are very clumsy. Soviet occupiers are increasingly insisting on a certain level of ESG. And, you know, the other point is, of course, government legislation is is as well. So, you know, we look at all of our us, you know, you don't want to have a standard asset. You don't want to be in a position where, you know, you don't meet the minimum ESG score and you can't rent it out, and that's a disaster.

00;49;17;28 - 00;49;37;07
GUEST
So we have CapEx plans for each individual asset to ensure we're doing all we can and ensuring that we never have a stranded asset. Of course, a lot of this you can only do once you you know, the buyer leaves and you get sort of vacant possession and you can kind of actually implement the changes.

00;49;37;10 - 00;49;51;28
HOST
As we sit here kind of middle of June, it's been a challenging market for most over the last 18 months, two years or so. What's your read on the opportunity set and how how do you think you and the team are going to be navigating this coming next 12 months?

00;49;52;00 - 00;50;23;15
GUEST
Well, look, we're we're busier now than we have been probably for the last 18 months. I feel like prices by and large have stabilized. I think interest rates are probably at their peak. And so yeah, I, I'm, I'm cautiously optimistic. I think there is this will be a quite a good vintage from an investment perspective 2024 I think 2025 maybe, you know, also very good as a sector specialist, you know, we're quite niche.

00;50;23;17 - 00;50;52;11
GUEST
So we're sort of a niche within a sector. And that gives us kind of, I guess, some confidence when we see opportunities. But I think, you know, the rent occupational demand has cooled off, but we're still seeing rent growth. So there's fewer inquiries. But those inquiries were still able to achieve sort of underwritten rent levels. And in terms of basis, you know we're now seeing opportunities at significant discounts or replacement cost.

00;50;52;13 - 00;51;25;16
GUEST
So if we're buying good functional assets in in great locations below replacement cost, that's the sort of deals we like to do. It's a bit easier on the continent than in the UK, partly because of the lower funding costs and the continent. I think Germany is still quite challenging from a bit of a spread perspective. We're still seeing our aspirations being a bit higher than what we're willing to pay, but yeah, we're we're reasonably active.

00;51;25;20 - 00;51;46;26
GUEST
We're looking at a lot of deals in France. We're active in the Netherlands and, you know, the UK. You

know, we're always finding good opportunities just because we're very active here. And you know, we can we can always pick off, a couple of deals around, around the UK. So listen, we're we're busy, we're open, we're doing stuff, we've got capital to deploy.

00;51;46;26 - 00;51;53;05
GUEST
And yeah, I think 24 will be a good vintage I think 25. So yeah, I'm, I'm optimistic.

00;51;53;07 - 00;52;20;24
HOST
It's been a challenging time in terms of raising capital. And I guess LPs are not going to get fired for allocating capital to Blackstone. Bit more scrutiny when allocating to kind of single specialist. I guess you built the track record up and that speaks for itself as you touched on today. But I guess looking forward, how how do you see the kind of capital raising environment as you look to kind of expand your book of, relationships with LPs or, you know, is is now the time to kind of think about maybe raising a dedicated fund as well?

00;52;20;27 - 00;52;42;28
GUEST
Yeah. I think as one, advisor put it to me, you know, you're not missing much. I think the LP market is super challenging, partly because of obviously, I guess, a fear factor around what's been going on as interest rates have moved. But also, you know, there's been much less liquidity in the market. So there's been much less capital returned to LP.

00;52;43;00 - 00;53;07;13
GUEST
And so in terms of allocations, they haven't normally they would expect to be repaid and then they redeploy. But that repayment hasn't happened. So there are sort of a little little stuck. Listen, as I said earlier, we've still got this substantial amount of capital, with quadrille to invest. And that's, that's our main priority. What what we do in the future, you know, who knows that that remains to be seen.

00;53;07;13 - 00;53;30;24
GUEST
But, I mean, we're not actively kind of out there looking to raise LP capital. And I'm quite grateful for that because I think it's it's a super challenging environment. It is, from what I understand, guessing better slowly. And I think this year is probably better than last year, but 25 will be better again, and I think there'll be a gradual thawing of the LP environment.

00;53;30;26 - 00;53;38;17
GUEST
And you know, it will become a little easier. But it's, it's pretty challenging out there. That's my understanding.

00;53;38;19 - 00;53;52;02
HOST
As you kind of look back on, on the journey and setting up value. I guess the second business you've kind of established, what are some of the kind of the challenges or what are the biggest challenges that you've had to kind of overcome? And so I'm just setting up the platform.

00;53;52;05 - 00;54;11;22
GUEST
I mean, it's always difficult when you sort of first start out, you know, getting the first deals, getting your first team members on board, you know, getting, getting it, sort of getting the ball rolling. But I mean, you know, you've got to it's a marathon, not a sprint. That's something I often say, but it's true. You know, you got to keep pushing.

00;54;11;25 - 00;54;36;05
GUEST
Got to be patient. People is crucial. Getting the right team right partners makes such a difference. You know having some capital. It's also crucial I think that can really accelerate your business. And listen it's hard work I mean it's cliche, but at the end of the day you, you know, you got to sort of throw yourself at it and, and work hard and keep, keep pushing.

00;54;36;07 - 00;55;00;18
GUEST
But it's yeah, the challenge is it's that initial stage. It's that, you know, getting and actually, I mean, don't underestimate if you're if you are thinking of doing your own business like the admin side of it, like just opening a bank account, you know, things like that is just it's time consuming. You know, it's it's always a lot of red tape.

00;55;00;18 - 00;55;08;16
GUEST
I mean, bank accounts, in particular stand out as just being so. Yeah, soul destroying in terms.

00;55;08;23 - 00;55;09;24
HOST
Of just.

00;55;09;26 - 00;55;17;14
GUEST
Sort of ridiculous questions and bureaucracy. But yeah, listen, it's it's perseverance, hard work. It's it's all the usual stuff.

00;55;17;15 - 00;55;25;15
HOST
And that's the advice I would give to someone kind of entering there. What, what advice would you give someone entering their career into the kind of the real estate market now?

00;55;25;18 - 00;55;46;13
GUEST
Well, I think, you know, I, I'm a big believer get get broad experience. You know start you know I suppose that's what I did. But it's always good to kind of have some breadth of experience, you know, experience of leasing and buying the debt, you know, all the different facets. So then that will enable you to become a sort of rounded professional.

00;55;46;15 - 00;56;07;24
GUEST
And you know, I enjoyed M&A as a, as an entry. Point means maybe not for everyone, but that was that was a good opportunity. I mean, Kane, my partner, you know, he started off doing leasing. And I think that's given them a real kind of insight in terms of becoming a great investor. So everyone sort of takes their own path.

00;56;07;24 - 00;56;28;22
GUEST
But the important thing when you're young is to get a breadth of experience and and to work hard. I mean, this is what I keep saying to, to the kids, you know, unfortunately, there's no shortcuts. You really do need to kind of work hard and dedicate yourself to it in order to kind of get the knowledge and experience to, to to really add value.

00;56;28;25 - 00;56;39;13

HOST
What does work hard actually mean? Because, you know, it gets bandied around a lot. We're talking, you know, 12 hour days. Is that 18 hour days? Is that weekends? Is it you know what I mean? It can be all of that.

00;56;39;16 - 00;57;03;16
GUEST
But it's, it's I guess about it's yeah, there's an element of hours and just sort of getting through things. But it's also about being, I think, thoughtful about really trying to think about ways to improve things go the extra yard, you know, not just doing something that you're given and then they have done that, but doing it like, okay, what's next?

00;57;03;16 - 00;57;30;06
GUEST
What can we do with this information? What does it mean? Trying to kind of, you know, encourage a curiosity, hunger, humble and hungry. That's what it would be. But the that's the sort of a constant sort of thinking and trying to, I guess, improve or be helpful, facilitate, you know, not just doing a task and then waiting to be told what the next task is.

00;57;30;06 - 00;57;52;23
GUEST
But but so that's what I mean by working hard. It's this sort of thoughtfulness. It's kind of in the back of your mind. I mean, we were talking, you know, when you start business, you you never switch off. Really. You're always sort of trying to figure something out. And and that's what, you know, hard work means. It's a lot of, yeah, thoughtfulness and, you know, trying to sort of improve things.

00;57;52;25 - 00;58;06;02
HOST
So Christian, as we as we draw to a close, something that I do on every podcast is, is asked, I guess if I gave you 500 million pounds of capital, who are the people? What property and which place would you look to deploy that capital?

00;58;06;05 - 00;58;26;15
GUEST
Well, we have to, you know, we are a sector specialist. So listen, I've got huge conviction and I invest in all our funds, as do do all the partners. I, I mean obviously my the answer would be our invest it in urban logistics in London, Paris key gateway cities around Europe. I mean there's still a huge supply demand imbalance.

00;58;26;18 - 00;58;41;27
GUEST
I think the tailwinds will endure over the medium to long term and we can generate great returns. Got I got what I think is the best team on the street. So, yeah, listen, that's what I would do if you gave me that money in fact, you ought to give you that money.

00;58;41;29 - 00;58;58;26
HOST
I would love to be in a position to give you that money one day. Yeah. If if I was to say, look, you can't have your team can't have Paris in London, Germany, you can have the 500 million. Which sector would you, invest in or, you know, how would you kind of deploy that capital?

00;58;58;29 - 00;59;19;06
GUEST
Well, I think okay. So if I didn't, if I didn't have said so my, my focus on beds. But I've always liked the hotel sector. I did a little bit of that when I was at GE. I mean, the fact you can adjust room rates on a daily

basis, it's an operational business. I mean, it's I think over the long term, I think they say it's the best hedge against inflation.

00;59;19;10 - 00;59;42;24
GUEST
But in SEC hotels or resort hotels, I mean hotels would be is I think if I wasn't doing shadows I mean I think that'll be a really interesting space to be in. And then residential generally there's a shortage of residential in, in city locations. So that's would be, you know, for a very long term investor would probably be a good option if they weren't doing shots.

00;59;43;00 - 00;59;47;06
GUEST
I'd still prefer to do shots, but yeah, that's probably where I'd focus my time.

00;59;47;08 - 01;00;10;16
HOST
Well, Kristen, you've had a phenomenal background, an amazing career. I've certainly learned an awful lot about, you know, the importance of team, partners, capital, timing, opportunity cost, getting in early, gritting it out, working really hard. And, I'm really excited to see what you and the team go on to achieve through this next cycle. So thank you so much for joining me today.

01;00;10;23 - 01;00;13;01
GUEST
Thank you Matthew. Appreciate it.

01;00;13;03 - 01;00;35;16
HOST
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01;00;35;19 - 01;01;02;26
HOST
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01;01;02;28 - 01;01;10;22
HOST
Or feel free to drop me a message on LinkedIn. Have a great day wherever you are and I look forward. Catch you next time.