

00;00;01;03 - 00;00;37;05

HOST

Welcome to the People Property Place podcast. Today we are joined by Honor Barratt, CEO of Birch Growth at Birch. Honor and hatchet believe that renting instead of owning a home is the most liberating form of tenure and allows their residents to retain their independence without the burdens of home ownership. Birchgrove, backed by Bridges Fund Management, operate a portfolio of assisted living developments with contemporary apartments for rent and brand new purpose built facilities within and around the M25.

00;00;37;07 - 00;00;50;27

HOST

Owner has had a previous career in the television broadcasting, production and media world, with more before moving into the real estate space as a second career. And it gives me great pleasure that she's on the podcast today, said on her welcome to the podcast.

00;00;50;27 - 00;00;52;08

GUEST

Very excited to be here, Matt.

00;00;52;09 - 00;00;54;04

HOST

Oh, I think we're gonna have a lot of fun. Yeah.

00;00;54;04 - 00;00;55;04

GUEST

We also got this.

00;00;55;07 - 00;01;03;19

HOST

A couple of things that are interesting about you in comparison to the other 79 or so of the ones that I've done.

00;01;03;20 - 00;01;04;28

GUEST

Were they all men?

00;01;05;01 - 00;01;25;16

HOST

No, they weren't all men. They weren't. But most people kind of get into real estate early on in their career. And this is kind of a second career for you. And then, secondly, most of them had never done a podcast before. You've done a couple, which would come as no great surprise given your previous media experience.

00;01;25;17 - 00;01;46;18

HOST

But before we kind of get on to Birchgrove and unpacking that from the second part of your real estate career and what the opportunity set is, a place, that I normally ask is how you get into real estate, but here. Can you just give me a little bit of a background and an overview of your upbringing and how you kind of decided to get into kind of maybe media and television and what that kind of previous career looked like?

00;01;46;19 - 00;01;46;27

HOST

Yeah.

00;01;46;27 - 00;01;50;10

GUEST

I don't know if I've ever actively decided anything.

00;01;50;12 - 00;01;51;13

HOST

I can't believe not.

00;01;51;13 - 00;02;20;05

GUEST

Honestly. I got into TV because I went to a party and a bloke said, I need a runner, and I was like, fuck, I can run. I mean, I've no idea what I ran into. So that was the Saturday and I started with him on the Monday and that was it. That was my career in TV, which does little bit go to the old, entitled background that I have because I was fortunate enough to be at that party because of where I went to school.

00;02;20;10 - 00;02;36;13

GUEST

And it does really make me conscious, actually, in my later life of I have to correct that, I have to kind of undo that damage. I got that amazing job because of the school that I went to, so now I need to find other people to work in my business who didn't have that. We've got quite a lot to atone for.

00;02;36;13 - 00;02;39;01

GUEST

I reckon you have to. I've got an accent.

00;02;39;04 - 00;02;40;06

HOST

I've got an awful lot.

00;02;40;08 - 00;02;42;05

GUEST

So it's our job to, do that.

00;02;42;08 - 00;02;59;23

HOST

And that's. Well, it's not about me, but that's one of the key things. One of the drivers about this podcast is trying to break down and educate around what a great platform career opportunity real estate is, because it's quite closed group. But actually, interestingly, a lot of people you have to wonderful course have no idea about real estate as a career.

00;02;59;25 - 00;03;11;23

HOST

And you know, got into it, not through a family member, but through other, other means. But that's another another point. Completely. So you so you became a runner within the TV.

00;03;11;23 - 00;03;32;06

GUEST

Within about 50m of your office. And, yeah, I just ran this is these are the days you don't even map. You got to record things onto a tape. Then you give it to a human being who runs across Soho and takes it to an editor who edits it. And then you run across from Soho to ITV and you play it to them.

00;03;32;06 - 00;03;49;04

GUEST

And then they. It was ridiculous. But, I saw it on. I did Spice Girls, the movie. Oh, it was called Spice World the Movie, and James Bond in that year. And I spent a lot of time running around Soho with tapes

in my hand.

00;03;49;07 - 00;03;53;21

HOST

That's right at the top, isn't it? Can't get bigger than James Bond and Spice Girls. You're really.

00;03;53;28 - 00;04;10;03

GUEST

Which one is making your eyes darker? Yeah, they were both amazing fun. You do start at the top, but actually, interestingly, I left films go to TV because in film you have to have quite a long attention span. It take like five years to get a James Bond done. And I struggled with that.

00;04;10;03 - 00;04;11;04

HOST

Sort of development.

00;04;11;04 - 00;04;29;03

GUEST

So then I went to TV and I worked in 30s, and we were always turning things around for that night's TV. And of course now I'm back into real estate, which is like, oh, this is going to take me eight years to get this spark, an idea to an exit and make some money. It's it's a long you do have to have attention and property, don't you?

00;04;29;05 - 00;04;45;04

HOST

Big time. So you went from kind of long form content to short form content. So you worked at the creative partnership and then you moved to Dunlop Woods as head of production. Is that when you did your short, short form content content stint.

00;04;45;07 - 00;05;08;00

GUEST

That is it. And, it's so funny. I haven't even had the words creative partnership for such a long time, but one of my first learnings was the agency that I joined, this bloke I, you know, got around that great start on Monday, about 18 months after that, we were all called into the office and they sat us all down and said, okay, so the company is really in trouble.

00;05;08;00 - 00;05;29;22

GUEST

So we're selling ourselves for a pound to the creative partnership. And at that moment I felt so devastated. But they hadn't bothered to bring us in on that. And I just sat there going, if I'd known, could I have worked hard? I could have done something about it. Why didn't I know? I feel like you've traded me to the next people and it has become this thing in my head.

00;05;29;22 - 00;05;39;06

GUEST

I possibly overcommunicate now because I just want us all to know exactly how the land lies. Because at that moment, I felt like the rug was pulled out from underneath me.

00;05;39;06 - 00;05;44;23

HOST

And that means with investors, with employees, with stakeholders and residents. Is that the whole thing you overcommunicate.

00;05;44;26 - 00;05;54;16

GUEST

I communicate, I bridges know every single cup of sig that is currently on the table. That's great.

00;05;54;23 - 00;05;56;11

HOST

That's key metric. New reporting.

00;05;56;14 - 00;06;20;25

GUEST

My cover signature. And I do rely on them to get their hands into that cup a second. Find some nugget out of that to help me turn a problem around. I never hide my homework. It was a little bit when I was at octopus, which was after TV. They had this really amazing entrepreneur, big, fat, charismatic, demanding pig head.

00;06;20;25 - 00;06;38;06

GUEST

You know, you meet them, you. And he was like a property bloke. And he hid his homework from octopus. And so it became a really adversarial relationship. And I was sitting on that on the sidelines going, you've taken that money. You have to you have to show them the good and the bad. You have to show your homework.

00;06;38;10 - 00;06;48;07

GUEST

You have to communicate with them because you're taking their money. And so now with bridges, that was my learning from that particular. You can't you can't take someone's money and and.

00;06;48;09 - 00;06;51;08

HOST

Has that always serve you well being that honest?

00;06;51;11 - 00;07;23;04

GUEST

No, I'd say there are occasions where I think, maybe I'm sitting in one right now where I told bridges a planning challenge, which of course, that really anxious about. It's a client. You know, these planning challenges. And if I hadn't told them, maybe they wouldn't be feeling so anxious. But I have to go with the belief that there are big brains sitting around this table.

00;07;23;04 - 00;07;36;06

GUEST

Somebody around this table is going to have a solution which is possibly better than mine. So I have to, but it does cause them anxiety and it does cause me to get second guessed a lot. But the alternative is not using those brains.

00;07;36;08 - 00;07;37;29

HOST

And probably not sleeping well at night.

00;07;38;05 - 00;07;41;22

GUEST

Oh well, none of us sleep here and none of us sleep at all.

00;07;41;24 - 00;07;52;20

HOST

So tell me about, leaving Dunlop words as Head of Production and BDA creative. Talk to me about that kind of transition and that little journey.

00;07;52;22 - 00;08;26;22

GUEST

So this was probably the beginning of the most significant relationship of my life outside of my husband. Just caveat just a little bit. And this was, an amazing man who again, gosh, you know, bit overweight, incredibly, charismatic, pig headed man. This guy I don't really want to say his name, actually, just in case, but he'd fought in the Vietnam War and he brought that mentality to our business.

00;08;26;24 - 00;08;50;06

GUEST

And I partnered with him and that incredible gung ho. Nothing is going to get in our way. That was what I learned from him, and it was a partnership where he fucking pushed and I just came behind him sweeping everything up. He innovated, you know, incredibly single minded, dogmatic way. And my job was to just make it happen and bring it together.

00;08;50;06 - 00;09;11;07

GUEST

And it was the beginning of a 15 year relationship, which was it is the most significant relationship with my life. It's probably the one I have really great regrets around. But it taught me. He taught me about forward momentum. Don't get in your way. Don't sweat the small stuff, like just push it through.

00;09;11;09 - 00;09;14;06

HOST

And to be really clear, it was your business partner.

00;09;14;12 - 00;09;15;25

GUEST

Yes. He wasn't my.

00;09;15;27 - 00;09;21;22

HOST

He wasn't your your relationship. He was your business partner. You went into business together. Did you or did you join a business?

00;09;21;22 - 00;09;26;05

GUEST

I should have said. But no. We, set up a business together.

00;09;26;07 - 00;09;35;21

HOST

Okay. So how how much experience, you know, professional experience and how we can't talk about age. But how old were you at that time?

00;09;35;21 - 00;09;56;03

GUEST

So I was 28. He just had his 50th birthday. He'd just been sacked by Liz Murdoch in a blaze of glory, and she'd given him a couple underground to fuck off. And so we took that money and we set it up together. So he had loads of experience. And I had mum, but, together, it was not a perfect match.

00;09;56;05 - 00;09;59;17

HOST

And what was the strategy? What was the idea? What was the business at that stage?

00;09;59;20 - 00;10;11;27

GUEST

I don't know whether we actually ever articulated it and that we never put anything down on paper. We

just ran at it. We just got run at what?

00;10;11;29 - 00;10;46;23

GUEST

He had the relationships and I had the wherewithal to produce the content. So it's quite shameful now, Matt. But when you're turning out, you don't realize it's not the right thing to do to work for Rupert Murdoch. And so we just followed Rupert Murdoch around the well, Bruce and that relationship. So, so and everywhere that Rupert Murdoch, when we followed, we said that whatever crazy shit he wanted to get up to, you want to get it by two channels in Italy, you want to conquer Germany, you want to take news to Australia?

00;10;46;26 - 00;10;52;03

GUEST

We just followed Rupert Murdoch around the world. That was the strategy. Probably do stuff.

00;10;52;03 - 00;10;52;29

HOST

Do stuff.

00;10;52;29 - 00;11;17;28

GUEST

Do whatever it takes. Whatever's needed. I think maybe online in property. Property, because it does take so long to do anything because you like investing gazillions of money. It's quite the innovation. Maybe takes a bit longer, whereas in TV you're just making stuff that's going to be seen once. I mean, it's a very disposable format because we don't need to news and sport.

00;11;18;00 - 00;11;19;00

GUEST

It's what's happening right.

00;11;19;00 - 00;11;28;02

HOST

Now, but it's but it's got a lot of production still that goes into that. And it's got a lot of time and effort. A lot of moving parts to do that. Very small clip. Yeah.

00;11;28;05 - 00;11;47;14

GUEST

But it's not rocket science. There's nobody. So it's a little bit like property in that you don't make like huge brands. There are, it's just people who are creative here, don't they? Left handed dyslexic people, my favorite type of person.

00;11;47;17 - 00;11;54;23

HOST

And so talk to me about the journey. How how big did you grow that agency? What was the journey? What did you do?

00;11;54;25 - 00;12;17;24

GUEST

We ended up, London. Munich, Singapore. Sydney, Dubai. Main office. In each of those five was 150 of us. Each of those offices had their own, lovely reason for being Australia made the most beautiful, where the Germans did exactly what they said they were going to do. The Singaporeans were like the workshop of the place. They just worked 24 hours a day.

00;12;17;27 - 00;12;39;13

GUEST

London was all the high profile Dubai, not sure, ever got off the ground, but we ended up, we ended up with an award which was, Global Agency of the year. I mean, that's what Brits pulled off. His creativity got us agency of the year. And that's why.

00;12;39;15 - 00;12;41;03

HOST

I think you're doing yourself down by saying.

00;12;41;03 - 00;13;06;13

GUEST

No. Honestly. And that's when we took on outside money. And here I'm slightly torn. Matt. Was it the right thing to do? We I think this was probably where I really learned that lesson. There's no such thing as, you know, when you take the money, you kind of got it off the cap and we took the money.

00;13;06;15 - 00;13;38;04

GUEST

We both have various houses that we paid for with that money, but it comes with compromises. When you get a pigheaded, creative, entrepreneur meeting private equity money, it's uncomfortable sometimes. And I'm. I don't think. Well, we didn't we didn't create value out of that transaction. I mean, we paid our own mortgages, but we didn't. The sum of the parts was not greater as a result.

00;13;38;06 - 00;13;44;16

GUEST

And I've always been really conscious of that.

00;13;44;19 - 00;14;04;21

GUEST

If you sell your soul, you know, there's a price. There's no such thing. It's just. Although I met this guy the other day, crazy Irish bloke. And he's, this whole strategy was on. I just put the. I can't do an Irish accent that just put the fucking money in its place. They're only the money, man. Don't fucking let them run your business.

00;14;04;21 - 00;14;16;13

GUEST

Put them in their place. I don't want to punch you. Go find someone else. And he. Maybe he's got to a point where he could take the money and and not allow it to corrupt the business, but I didn't. We didn't manage to do that.

00;14;16;16 - 00;14;20;04

HOST

So. So how did that end?

00;14;20;06 - 00;14;24;11

GUEST

But Bruce and I had a massive relationship breakdown.

00;14;24;13 - 00;14;27;27

HOST

Between you and him. Yeah, because you wanted to make it work. The private equity.

00;14;27;29 - 00;14;36;17

GUEST

Yeah. And he wasn't. He's not a compromising type. And that was the uncomfortable realization. I made the decision.

00;14;36;19 - 00;14;39;16

HOST

In terms of exiting to private equity.

00;14;39;18 - 00;14;46;06

GUEST

Yeah, I think we were really happy before the money got involved.

00;14;46;09 - 00;14;53;10

HOST

What should you have done?

00;14;53;13 - 00;15;02;18

GUEST

Honestly, Matt, I don't know. I don't know what I should have done. I just now should have done that. But I don't know what the alternative was. It's like the great sadness of my life.

00;15;02;21 - 00;15;08;27

HOST

So moving on from there. How what did you do next? And had a big bust up.

00;15;08;29 - 00;15;13;22

GUEST

With the big business partner? I stayed with octopus, and.

00;15;13;24 - 00;15;18;09

HOST

So octopus with a capital? Yeah, the private equity capital.

00;15;18;09 - 00;15;41;05

GUEST

And, I really enjoy working with octopus. I still work with them now they have money and one of my developments at the moment, they are incredibly clever people here. And for the right reason. It's really inspiring and interesting to be in that company. I love that I work that, you know, running, a portfolio company for them for seven years.

00;15;41;08 - 00;15;43;21

GUEST

Landlords got pushed out of my comfort zone.

00;15;43;28 - 00;15;47;22

HOST

Still in the media and yeah, tech in production world.

00;15;47;28 - 00;16;15;07

GUEST

Until they said there's this floundering company over here where you can have a look. And that was senior living. And I didn't want to get another look because that's not remotely sexy. And within 90s of walking in onsite, I was like, shit, this is sexy. This is really exciting. And so, just in the space of an afternoon, moved from TV into, oh, people.

00;16;15;09 - 00;16;37;19

HOST

So before we get on to that, like what? What skills did you acquire at this stage? And if you were to kind of like write a job description, like what were your strengths or your weaknesses or like what were the



what are the things that you, you were doing, in terms of your kind of day to day at that role that made them go there's a we want that in a slightly different sector, and we want you to apply.

00;16;37;19 - 00;17;07;22

GUEST

You said, Matt, you must know it's probably your wife. People who just get shit done. And I'm just one of those people who does not overthink it, not particularly stage it, never take the know. Just do whatever it takes to get the ass. But in, like, I'll just turn my hand to anything. I think I'm probably not a specialist at anything, but go, man.

00;17;07;22 - 00;17;27;11

GUEST

Maybe I'm going back to my entitled upbringing again, but I'd never think that's something I can't do. I never go, oh shit, I can't do that. I kind of go, yeah, fuck it, that'll be fine. I'll make it up. I'll work it out. I'm one of those people. And what they had over there down the M4 in Wiltshire was a little bit of a car crash that they needed somebody to fix that, that and that.

00;17;27;11 - 00;17;33;16

GUEST

And you need a bit of a multi-disciplinary person to do that rather than specialists, brilliant people.

00;17;33;18 - 00;17;39;11

HOST

So it's more the behaviors that you have rather than the technical kind of skills.

00;17;39;13 - 00;17;46;15

GUEST

There's no skill. I have no skill other than saying yes. I just say yes to anything.

00;17;46;17 - 00;17;47;29

HOST

Can you set boundaries?

00;17;48;01 - 00;17;57;04

GUEST

No, I don't have any. I think it must be really difficult to work with me.

00;17;57;06 - 00;18;12;13

GUEST

I don't have any boundaries. God. Trying to think of something in my life. My husband would just disagree with that. He'd say, oh, you say no often enough on, I have no boundaries.

00;18;12;15 - 00;18;25;29

HOST

So you went down to Wiltshire and what did you see in Wiltshire, and what was it exactly that kind of change your mindset from how no to wow this? Yeah.

00;18;26;02 - 00;18;48;10

GUEST

I think it was the scale of the ambition. That's the thing about property. I think that really seduces me in this case. I mean, I love the sense of home, but the scale of what people pull off looking at what Argent did in King's Cross, it blows your mind, doesn't it, that when you die, you left that impact like that?

00;18;48;10 - 00;19;12;03

GUEST

Is your legacy piece? Which is a total volte face, isn't it, for me, making 32nd super disposable bits of TV. You will leave this earth better than when you arrived. This thing down in Wiltshire was my first inkling. It was just a pile of mud on some plans. And a contractor that was in a, you know, it was a mess.

00;19;12;05 - 00;19;34;22

GUEST

But you're like, shit, when we do this, there will be 250 people who are living the most extraordinary lives. And so now I is lying. That is exactly what it's like down there. There's people thriving. There's amazing business in the middle of it. There's a piece of wasteland, is now home. And it will remain like that for years.

00;19;34;22 - 00;19;43;06

GUEST

And it's maybe it's just the legacy of what we do in property. You just the world knows that you were here.

00;19;43;09 - 00;19;49;15

HOST

And so you called your boss or whoever it was and said, Amen.

00;19;49;18 - 00;19;50;09

GUEST

Amen.

00;19;50;11 - 00;19;56;17

HOST

And what what what were you jumping into?

00;19;56;20 - 00;20;08;00

GUEST

So every all of us in property, maybe, nothing without the sale, all the transactions, all the exit, I mean, capital.

00;20;08;00 - 00;20;08;24

HOST

Yeah.

00;20;08;27 - 00;20;23;20

GUEST

You can have all the ideas and. But if you can't, make some money out of it, if you can't sell it to someone, then it's just a good idea. It's not something that you can get out. So we need to start taking money in with the left hand so we could fund the construction with the right hand.

00;20;23;23 - 00;20;31;29

GUEST

So that was what I did. I had no knowledge, but,

00;20;32;02 - 00;20;52;14

GUEST

Yeah. It's just it was like crack. It's so seductive work, honestly, working with old people and putting them in something that is going to make them blossom is extraordinary. It really is addictive. Something I've taken on, everybody really taken on sense, is being from outside the industry.

00;20;52;17 - 00;20;53;13

HOST

In terms of.

00;20;53;20 - 00;21;26;21

GUEST

Employees, teammates and when they, when they join, I'm always like, really clear. Once you join, you'll never leave old people. I think it's probably impossible to go, oh, I'm going to go back to, I don't know, built around for sale like it is really addicted to the. But maybe this is because we have a social impact from the in bridges that you're actively measuring and working towards the impact of the thing that you do, not just in AI around the money multiple.

00;21;26;24 - 00;21;48;10

GUEST

And I genuinely believe it bridges they genuinely think that it is their job to spend that money in the most impactful way. And so you're you're always conscious of how am I having that? How am I having an impact? What am I doing? It's it's never really about the bricks, is it? It's about.

00;21;48;13 - 00;21;59;17

HOST

I'm so a bridge is involved at the time or what was the. Yeah. What was a team? What was the platform? What was the infrastructure? The projects that you kind of got airdropped into. What did you inherit?

00;21;59;20 - 00;22;18;20

GUEST

So there was nothing. So I was working with octopus in the sale model. And then bridges had they had investment about 15 times and they made less money, but they were really conscious that they were building something that no one ever wanted to end up in. Maybe, except your great grandmother, like your grandparents, who for some reason chose to live in a cat and, well, but no one really chose.

00;22;18;27 - 00;22;47;06

HOST

Yeah. No, no, no, I think we're just talking off of, like, when we I was just saying, just thinking about this conversation or you coming in, us thinking my, paternal great grandmother lived in a kind of assisted living scheme. And I remember turning up that, and I. I thought it was rental, but probably probably wasn't. And then, my maternal grandparents, who are no longer here, they downsized.

00;22;47;09 - 00;23;12;02

HOST

And it's a terrible idea. I say to my mum, why the hell did you enable them to do that? They downsized from their lovely thatched cottage on the Isle of Wight to a bungalow, low maintenance, one ground. Easy. But then within a couple of years my grandfather sadly had to go to a home. And then probably a couple of years after that, my grandmother sadly died.

00;23;12;07 - 00;23;34;02

HOST

And so it was a hell of a lot of like cost aggro, wasted money transitioning from a lovely thatched cottage to a bungalow, to money out the door to care, to just a bit of a farm, frankly. So that could have definitely been a better proposition. Or an opportunity. Yeah, but you're going to come on and tell me a little bit about that.

00;23;34;02 - 00;23;53;08

GUEST

Yeah, I am, but I think, to be clear, they weren't being stupid that we haven't we haven't built them an alternative, like they were making the best of what they could. And that is messy, isn't it? That is unnecessary moves. And you ended up in care. No one wants to end up in a care home. And that was a bit where bridges came from.

00;23;53;08 - 00;24;11;00

GUEST

No one actually wants to end up in a care home. So why we a social impact on building more like what is the thing that they do on what is the thing? Before your grandparents left the bungalow and went to care and what is the thing? And they came up with this idea of renting in retirement and they, hunted me down.

00;24;11;02 - 00;24;20;03

GUEST

They were actually running a formal process with a recruitment agent. And then, I mean, this is that I can see with my life. I met a bloke in a pub.

00;24;20;05 - 00;24;23;28

HOST

Pig headed, fat sack the third. Well, he's.

00;24;23;28 - 00;24;37;07

GUEST

Not fat, but he's very entrepreneurial, and, he's called Mel. And he changed my life because, he met me inside a house, and he. You know, I talked to him for 20 minutes, and then he was like, why are you not in the running for this job? I was like, I don't want a job. I've got a perfectly good life over here.

00;24;37;07 - 00;24;52;23

GUEST

And he's like, no, no, no, you need you need this. So it was interesting. So my only real interaction with a recruitment agent, well, they kept saying to me, can you send us your CV? And I'm not sending you my CV. I don't want the job. Like I don't have a CV. I don't have a CV since I was 20.

00;24;52;23 - 00;25;13;25

GUEST

Well, I never had one. Another person who has a CV to get a run, a job. But, they saw in me, I guess, somebody who was going to run a million miles an hour at something that everybody else said would fail, which is, oh, people won't step off the housing ladder. They have made all that money.

00;25;13;28 - 00;25;18;09

GUEST

They make more money out of rising house prices than they have out of the jobs. They will never step.

00;25;18;09 - 00;25;22;20

HOST

Off that their castle, that's everything. That's the British aspiration.

00;25;22;27 - 00;25;39;12

GUEST

Is, isn't it? I don't know where it comes from, but we more than anybody, we are obsessed with time, ownership and Mel Knight said, no, this is the guy. She's going to push it through. And and there we go. I thought they were mad for about two minutes and I was like, oh my God, this is what I needed.

00;25;39;12 - 00;25;56;01

GUEST

This is what the market needed. And I went. I kept going back in my head to, oh, woman who's called Marilyn, and she had three husbands and all died on and such quite well off. But she's living in a four bedroom house in there. And she came and she looked at this thing that we'd built in world.

00;25;56;06 - 00;26;18;27

GUEST

And so, you know, it's amazing on her, but I've left it too late. I think the move would kill me. And it was really hard to argue with that. She's in the same position as your tell grandparents, like, why the bloody hell would you go and buy another property right now at the age of 86? And so she tried off back to the four bedroom house with all those under occupied bedrooms and, and it didn't end up well for Marilyn.

00;26;18;29 - 00;26;33;22

GUEST

And when Mel said, we think, oh, people should rent, I was like, oh my God, that's what I needed for her. I needed to be able to say, this is a totally frictionless transaction. Marilyn. I'll do it all for you. You just have to turn up one day. Some day in the next two weeks, just turn up. Turn up.

00;26;33;24 - 00;26;43;15

GUEST

I'll put the cartons up and let's let's. No solicitors. No, not like literally when people go nuts, there's not even a solicitor involved. They just just turn up and then.

00;26;43;15 - 00;26;44;16

HOST

Check into a hotel.

00;26;44;19 - 00;27;03;17

GUEST

It's exactly like that. It's exactly that easy. We haven't. Yeah. And we aspire to get to the point where when you do come and move in, there's six members of staff lined up saying hello, lovely to meet you. We haven't nailed that. But yeah, you sort of walking. It's like a bonfire in here. But, it should be as frictionless as just two hands at all.

00;27;03;20 - 00;27;11;25

GUEST

And therefore someone like Marilyn should have no reason to just go back and live on her own in that four bedroom house.

00;27;11;27 - 00;27;32;20

HOST

So I bet you kind of talk yourself out of the opportunity in that interview. Woodbridge, know what you're what it sounds like I've got a good thing going on here. Sounds interesting. But you know, I'm sure you're very self depreciating like it's going to be much better. Candidates are more experienced. So is it a case of.

00;27;32;23 - 00;27;47;06

GUEST

You know, I almost I told me afterwards I almost didn't get it because I swore too much and I couldn't understand why. I think I couldn't understand why a woman would spend so much in an interview. But,

00;27;47;09 - 00;27;53;15

GUEST

You have to do. It was like a presentation. Like you must set this for your candidates. When you get down to the last two, you've got to pull something out.

00;27;53;19 - 00;27;55;02

HOST

As a case study or presentation.

00;27;55;02 - 00;28;19;13

GUEST

Or something. And, my strategy was to do an amazingly beautiful tack, print it on a A3, really good quality paper and then handed out and I was like, okay, that's good. I mean, who knows what the content was, but it looked amazing. But, Yeah. And actually and credit to the chairman. So my chairman is Mark Elliot.

00;28;19;13 - 00;28;44;17

GUEST

Used to be that chief executive. McCarthy has done. And this was his first chairman role. And he deliberately set out in a very mindful, mindful way that Marcus doesn't do anything by mistake. Two source the chief executive was the exact opposite of him, and he was trying to pull himself, you know, his qualified account and start the why does everything properly flow to business?

00;28;44;17 - 00;29;03;05

GUEST

You know, like he he was like a perfect CEO and so he was trying to find the opposite. So I came along, because he knew that the perfect pairing on a board should be you going. Yeah. Yeah. And and he almost went down the route of, you know, choosing a safe option and then caught himself at the end went, oh, no, I need the total opposite to me.

00;29;03;05 - 00;29;10;05

GUEST

So she may well swear. And she did wear jeans to the interview and she doesn't know what she's talking about, but she's the opposite. So let's have that one.

00;29;10;07 - 00;29;21;26

HOST

So took me through the early, kind of the early years of, assuming the see the CEO role, what were the the opportunities and what were the fires that you're kind of putting out?

00;29;21;29 - 00;29;45;01

GUEST

The opportunity was they gifted me, piece of land with planning permission, on the side of a dual carriageway overlooking a hospital, which looks like a post cabin. But I think this is a strength of female. See, as we're incredibly pragmatic bunch, and we look at it and I commend know I'll make something of that. I'm not going to point about going back into planning and change it.

00;29;45;01 - 00;30;03;26

GUEST

You know, I'm just I'm going to make that work. So, I think I got the job on the 1st of March. We started on site 3rd of May. Like, we went in fast and started to build it, and then it just was being incredibly open about, making this long. Nobody knows how to do this in this country.

00;30;04;02 - 00;30;05;00

GUEST

We haven't done it.

00;30;05;02 - 00;30;05;20

HOST

In terms of.

00;30;05;20 - 00;30;06;22

GUEST

The the mental model.

00;30;06;22 - 00;30;07;25

HOST

So the rental model.

00;30;07;25 - 00;30;08;09

GUEST

So what.

00;30;08;09 - 00;30;09;10

HOST

I was did living I.

00;30;09;10 - 00;30;14;26

GUEST

Would I would characterize it as built around for old people. So that's what we were inventing.

00;30;14;28 - 00;30;17;06

HOST

And no one else had done that in the UK at this stage.

00;30;17;08 - 00;30;38;21

GUEST

No, not in this form. Basically you, you, you have cabins you can rent in a care home, but it's an entirely different form of tenure, isn't it? And that's like an unintended consequence of, council tax. So this goes right back to 1994 or whatever it was when Maggie Thatcher invented this. If you have an oven, you have to pay council tax.

00;30;38;23 - 00;30;54;11

GUEST

If you don't have an oven, you're free of that. So all these places were being built where your grandmother can't cook for herself, because I want to save for the council tax. And she's also not allowed to lock her own front door. That's back. Council tax. If you have a key, you can lock your front door and someone else can't get in.

00;30;54;15 - 00;31;15;13

GUEST

You have to pay council tax. And so you end up with care homes where you have no independent, you can't feed yourself and you can't lock your own front door. So people prop your door open so they can see you easily as they walk down the corridor. That's a bit of a by the by, but it's a really interesting unintended consequence of how we end up living in something that's not right for us because of some spurious decision made three decades previously.

00;31;15;15 - 00;31;28;06

GUEST

So I don't know how we got on to that, but, we were making it up as we went along. And the biggest challenge was getting some debt to that fast little portakabin.

00;31;28;13 - 00;31;30;02

HOST

To, to prove the concept.

00;31;30;02 - 00;31;48;24

GUEST

Yeah. And everybody was going, oh yeah, I want a great. Yeah, yeah, give me a shout when it's done. It was really hard and I just kept going to loads of meetings where I thought were there. And then they come

back from, I say, or whatever and say, oh no, you didn't make it through gateway three or whatever, you know, I don't.

00;31;48;25 - 00;32;17;14

GUEST

And what we didn't make it through, but there's no comps on us, so we can't reassure our backers that you're good for it. So bridges, in their absolute commitment to this idea that just went equity 100% all the way through that building, which is extraordinary. Isn't it? They did not falter. There was no misstep. They never panicked. They just held the line and said, we're so convinced by this business model.

00;32;17;16 - 00;32;41;26

GUEST

We're going to fund it entirely out of equity. Without that, I don't think I wouldn't have got I wouldn't have been out as long as JK because I had nowhere funding it and I that's extraordinary. That level of holding that, that's thrilling and also lucky. I'm in no doubt that the success of that show was entirely down to our funders and their ability to hold the line.

00;32;41;29 - 00;32;47;02

HOST

That relationship between developer and capital and the transparency.

00;32;47;02 - 00;32;54;11

GUEST

You touched on the transparency, isn't it? I never heard anything from them. So they felt confident that they always knew well the consequence.

00;32;54;14 - 00;32;59;03

HOST

And so talk to me about that first scheme. Then just in terms of,

00;32;59;06 - 00;33;01;29

GUEST

Bed size scale, you know?

00;33;02;02 - 00;33;07;10

HOST

Yeah, just, you know, paint a picture of someone listening to this, you know, in terms of what is a budget Birchgrove scheme.

00;33;07;10 - 00;33;29;02

GUEST

So the first one, is 74 units, ones, twos and threes, but 80,000 square foot. It's an L-shaped valley, unattractive building. But when you walk in, you forget how ugly it is. Because when you walk in, you realize, oh, this has nothing to do with property. Everything to do with how it feels. Knew somebody said once they walked in.

00;33;29;02 - 00;33;45;00

GUEST

It feels like being given a warm hug when you walk in that building. So really doesn't matter whether this apartment's got a balcony. I almost got a second bathroom at the property. Sell it. If we're trying to sell property, we're doomed because it's quite expensive. We never selling property. We're selling that hug that you get when you walk in.

00;33;45;02 - 00;33;53;06

GUEST



But if you wanted to know, yes, it's on about 1.2 acres, L-shaped. It's a timber frame.

00;33;53;09 - 00;33;56;11

HOST

Do that again, CLT. Really? Yeah.

00;33;56;13 - 00;34;10;08

GUEST

It's really difficult to get insurance. And it is now 100% full with a waitlist, what we call a ready list. I'm not sitting here waiting. I'm sitting here. Ready.

00;34;10;11 - 00;34;10;22

HOST

Love it.

00;34;10;28 - 00;34;26;09

GUEST

And the bags are packed. I'll take whatever unit you give me. Because the punters start to realize it's not about. Is it? South facing two bed with a balcony, which is what you get in the for sale model of the South model. You're obsessed about the on sale of that apartment when you're debt.

00;34;26;09 - 00;34;29;05

HOST

So it's the liquidity of your actions. Yeah.

00;34;29;08 - 00;34;49;19

GUEST

Where I was in the rental model. Okay. Because like, the minute I die triggers a month's notice. My family now have to find a buyer for day. So not obsessed about the value of it and just going to live in it and then I'll die. So it's a much again. We're back into that frictionless transaction. I'm not waiting for a garden south facing.

00;34;49;21 - 00;35;07;29

GUEST

I'm just whichever one you give me, which is a really interesting quirk of the mental model that none of us saw coming. And when I talk to the For Sale guys, now, there's the sort of I can feel that jealousy. I don't think I sell up any quicker than I am, but I know that when I take a reservation, it's 34 days to the moment.

00;35;08;02 - 00;35;17;20

GUEST

Whereas when you take a reservation in the for sale model, it's like seven months at the moment because the market is so sticky. So it's an amazing transaction to do a mental.

00;35;17;22 - 00;35;26;00

HOST

So who who is a Birchgrove avatar? Like, who are the occupiers, the people that you're targeting for these schemes.

00;35;26;03 - 00;35;47;16

GUEST

So every neighborhood that we're going to development on has a muse. And you, you need a muse really strongly in your head. Because when it gets tough, as it always does, isn't it? In construction, something gets tough. You need that person. Then you had that sparring you on. So we have a couple in Sidcup and we met them really early on.

00;35;47;16 - 00;36;16;12

GUEST

And the husband has Parkinson's. And the wife, who's super sprightly, feels like her retirement has been stolen from her because actually she's now dealing with probably the worst. I mean, it's even worse in dementia. I think Parkinson's, because your body's just, you know, you're really conscious of how bad it is. So these two were amazing. And so throughout that you're you're looking at it going, well, is that going to be right for him and will that liberate her.

00;36;16;12 - 00;36;40;29

GUEST

And can she really enjoy that. And how would they do that together. And it's like a really strong vision of who you're building for. If you asked me what are the generics? I would say they're 82 years old. They come from within three miles of the site. They live with us for about four and a half years. 33% of them are childless, 22% of them are receipt of care, and 11% of them have cognitive impairment.

00;36;41;00 - 00;37;16;26

GUEST

But that's just that's just describing generic old people. Every one of our developments has the muse, and that's who you were, is successful, my muse in working extraordinary. With the day that we completed on the transaction, we bought it with planning. This guy went and found on the Woking council portal, found the planning portal, got the plans, worked out who'd bought it, found me on LinkedIn, got my mobile number, called me out and he said, oh, hello, I'd like to buy apartment number three.

00;37;16;26 - 00;37;33;29

GUEST

I was like, Jesus Christ, we only bought it about five minutes ago. And so for the rest of the process, he and his wife would come in every month. We'd look at the construction, he'd look at the plans, and he tell me and like, we're really, really clear exactly who we're building this for, because he tracked us down.

00;37;34;01 - 00;37;38;08

HOST

And you're like, really sorry, but you can't buy it. Yes, you can rent it, though.

00;37;38;10 - 00;37;57;18

GUEST

Do you know when I said that to him, he's he's sort of recoiled from it. And he said, oh, honor, I've always thought of myself as an owner. And I said, yeah, I get that, Peter. But, tell me about what is it that you love about home ownership? And we sitting in his home at this moment because I would rather think for him to come and look at I'm sitting in his home and I said, tell me.

00;37;57;21 - 00;38;15;03

GUEST

And he'll say, well, yeah. I said, you know, why would you leave this amazing house? Yeah. On the the garden is completely getting on top of me. And my wife is now sleeping downstairs because she can't go up the stairs. And that driveway is quite state. So in the winters. So then within a couple of minutes he's like, oh yeah, no, you're right, I like homeownership is hard.

00;38;15;03 - 00;38;30;26

GUEST

It's miserable and boring and none of us like it. Man, I know you have two homes and I bet you prefer the one that you rent, don't you? You can just call up and say, oh, no you don't. You've got quite elderly land, unlike landlord and land.

00;38;30;28 - 00;38;38;28

HOST

Yeah. I've got an elderly landlady. Yeah. And and and and really sadly he's actually just been taken into hospital last couple of. But it's really stressful for them.

00;38;38;28 - 00;38;40;24

GUEST

Yeah. That's just stuff.

00;38;40;24 - 00;38;53;04

HOST

It's hard. Oh you're right. We we, we rent property down in Sussex and they, they, it's been in her family for hundreds of years and they've got a big farm contracted out and 12 properties. But it's really stressful.

00;38;53;09 - 00;39;01;14

GUEST

It's hard isn't it. But that emotional like cutting that it's going to be brutal. Maybe they won't even cut it. Someone will inherit it.

00;39;01;16 - 00;39;11;19

HOST

Yeah. Well really sadly they don't have any. So that's another, that's a, that's a, that's a, that's a sad story. But you know, it is really, really stressful for, it's great for me.

00;39;11;21 - 00;39;12;18

GUEST

00;39;12;21 - 00;39;22;12

HOST

Because actually they, they just value paying the rent on time. They haven't moved our rent on. Yeah. They just like the, the energy,

00;39;22;15 - 00;39;23;04

GUEST

Family.

00;39;23;04 - 00;39;40;27

HOST

Like us and stability, they don't want a hassle. And so it's great for my perspective flip reverse. But for them it's really stressful having a massive house and this whole kind of, thing to run. But yeah, I get I get your your point completely was it, was it really hard convincing convincing the masses though.

00;39;41;00 - 00;39;42;25

GUEST

I think there were masses.

00;39;42;27 - 00;39;47;25

HOST

Yeah. But you know okay. You know, you think you've got five, 600 odd units, don't you?

00;39;47;25 - 00;39;48;16

GUEST

Yeah.

00;39;48;19 - 00;39;55;07

HOST

I convinced them from a mindset perspective. Is that is there a big kind of, like, sales job on them or is it more build it and they will come.

00:39:55:09 - 00:40:19:08

GUEST

And now none of us. So when we first put up the hoardings, up the first one, everybody called out and said, do you take housing benefit we want? So that's what that word rent does. Everybody thinks rent is for poor people. So we had to take the word rent off all hoardings and just start again. Like, how do you how do you go on this journey with people who somebody like my Musa working.

00:40:19:08 - 00:40:44:28

GUEST

He was never going to make contact with us. If he'd known it was dreamt. How do we get over it, Matt? Potentially. This is why I'm so encouraging of competition in my market, which, goes against the grain, doesn't it? That I would say. Right. Who wants into the sector? What can I tell you? How can you learn from my mistakes?

00:40:44:28 - 00:41:03:24

GUEST

How do you get into the rental sector? Because the more of us do it, the less people will be scared of it. Although I think it's for poor people, which is the expression that they use. I need loads of people doing rental because I think it's the right thing to do, and I need everybody to do it brilliantly, because none of us need a bad news story out there.

00:41:03:25 - 00:41:26:28

GUEST

None of us need somebody who had a bad experience in the rental model. So I want people. I want built around student operators to pile in gang roles. It means kind of the same thing. It's just a slightly different customer pilot, but do it really well because I think in the US, we're at the point where on your 65th birthday, you join the waiting list, but that whole build it and they will come.

00:41:27:00 - 00:41:42:02

GUEST

I mean, we are so many and we're we're years away from that. Yeah. And the the trigger is penetration. Is everybody doing it. Me having loads of competition. Everybody spending money in the market saying, hey renting in your retirement is a good thing.

00:41:42:05 - 00:41:43:16

HOST

Rising tide.

00:41:43:21 - 00:41:45:06

GUEST

Will flow all these by.

00:41:45:09 - 00:42:04:14

HOST

Will. Exactly. You know it. So tell me in terms of the the because it's built to build to rent. So you buy land get planning or buy it with planning and build bespoke units. But you also reposition existing assets right.

00:42:04:17 - 00:42:16:03

GUEST

Well, I what are you thinking about my developer deals. Yeah. Oh okay. So you've called it reposition, and that's, repurposing for this consent.

00:42;16;05 - 00:42;19;14

HOST

Yeah. You're okay. So yeah, it could be an office that you're repurposing. Repositioning.

00:42;19;14 - 00:42;38;11

GUEST

Well, we can say we're back to female chief executives and being very pragmatic, in this current post, Liz Truss that now, well acknowledges Liz Truss downturn. There are house builders out there who had units and I don't particularly want to be paying on the for sale market right now because it's been a bit tricky.

00:42;38;11 - 00:42;55;14

GUEST

And so I'll be like, oh, I'll take your units, I will repurpose them. So we're running a couple of communities under a C3 consent because it doesn't make any difference to the customer what their consent is. As long as the doors are wide enough and the the showers have no lip. I mean, it's perfectly good.

00:42;55;14 - 00:43;22;16

GUEST

Built around an apartment. It works perfectly well for old people. So we are repurposing other people's consents that building them for us. And it's just another way of us trying to go faster, harder, do it at scale. Do more of it. Get the penetration up, get this rental story out there so does not appear in me that saying, well, we'll have to design or from scratch myself or it has to be in the perfect location.

00:43;22;18 - 00:43;43;19

GUEST

I'm just thinking about your grandparents. They ended up in a position where there was no choice out there. I mean, there wasn't enough of it. We haven't built enough of it. So for me, I'm like, let's just build and there will be lots of different models of rental and ownership and expensive ones, and local authority funded, like we just need more of it.

00:43;43;21 - 00:43;54;16

GUEST

And then your grandparents have some choice. They can look around and go, well, I want to die in the place that I live, which is this village or wherever it is, and therefore I'll go into that one. We haven't got enough choice at the moment.

00:43;54;18 - 00:44;09;00

HOST

So people listening to this are going to want to understand the financial aspects of this is that an investment opportunity? Can you just talk to me around the kind of the metrics and, and how you can monetize it and what the returns look like, etc..

00:44;09;03 - 00:44;53;27

GUEST

So we're trying to deliver a 20% IRR on the two times money. And that is quite expensive money, isn't it. But as I said, our social impact backers took a hell of a lot of risk with us. And they they deserve that return. We exited our first two developments to Maggi, who paid us on a 5% yield, and they bought tick up and working and now, incredibly happy with our assets because they have 100% occupancy, and five day turnarounds between tenancies, which is extraordinary because the, the red list, so, so far it's worked really well for bridges and it's working really well for Maggi.

00:44;54;00 - 00:45;16;13

GUEST

For me. I want a Birchgrove in every town of the country. I want your grandparents to have that choice. And, 20% and two times money. I'm going to struggle to do that outside the. I'm 25. I need to work out how I can fund cheaper money that allows me to do it in Nottingham and Solihull and Exeter.

00;45;16;15 - 00;45;39;00

GUEST

So that is that's the money that I'm seeking at the moment. Not that bridges done with us all that much goes up for sale. I'm kind of almost looking for how can I get an evergreen fund so that I'd have to sell any of my babies? I can keep them all together and they can just throw off this lovely recurring steady.

00;45;39;00 - 00;45;42;12

GUEST

Any revenue in perpetuity.

00;45;42;16 - 00;45;51;10

HOST

Backed by an awesome ready list. So it's just an amazing index. Inflation linked return, right?

00;45;51;13 - 00;46;18;27

GUEST

The, we are really we're linked to RPI, and we chose RPI because the state pension goes up by RPI and what we wanted was like your income, your cost to go up in lockstep with your income. And so when we put the rents up every January, all residents weirdly sense tend to say, well, thank you very much, because we have done it in lockstep with how their pensions are increasing.

00;46;18;27 - 00;46;28;08

HOST

Yeah, because that is going to be my next question in terms of how do you turn the rents and how do you set the rents and the rates. And you'll see the uplifts as well. How does that work?

00;46;28;10 - 00;46;46;26

GUEST

Yeah, the the rents are linked to the RPI. How do we set the rents in the first place there? I mean, I could bullshit you. Martin said that some amazing formula. But there is, in some way I triangulate between what I can get, Bill to rent an apartment on the high street and what it'll cost me to move into a care home.

00;46;46;26 - 00;47;03;11

GUEST

And somewhere between those two numbers is a perfect intersection. I don't want us to go to expenses. I don't want someone to end up making a decision to move into a care home. Because it's more cost effective. Because I don't want them in that car. I want them to stay on one of them to die with us.

00;47;03;11 - 00;47;29;09

GUEST

If I do my job properly, 80% of our residents will die with us. We haven't got to that number yet. It's actually quite hard to find your own band, but we're getting closer because. And for me, that is that's a promise to our residents. I don't want none of us want to die in hospital. And I would love to keep them all with us.

00;47;29;11 - 00;47;34;19

GUEST

That's quite hard work. Quite tough that bit. Yeah. Tough on the staff, actually.

00;47;34;21 - 00;47;36;09

HOST

I can imagine.

00:47:36;12 - 00:47:54;21

GUEST

But it's a promise. It has to be a commitment. I have to be able to say to you, this is your. This can be your final home. I'm not going to shipyard again. You don't have to move. And you know, again, that's why I love the rental model. Because if you own your own home, you get dementia.

00:47:54;24 - 00:48:21;25

GUEST

I mean, it's pretty tough because when you get dementia, there's a moment where you can't cope anymore and you've got to go. And that moment does not allow for the process of putting your house on the market and going through events. And, you know, you just can't cope with that anymore. So, we do try to keep our residents as long as possible in their home, in their own home, with their own lockable front door and their own oven, because no one wants to die in an NHS.

00:48:21;25 - 00:48:45;29

GUEST

And you and I don't want people to die in this day and age, that shouldn't be the place to go and die. You know, they've got fixing to do. Which is, you know, just one of the other benefits of everything that we do in lines of living. You know, there are there's like a Ponzi scheme in operation and that someone like you is paying your national insurance to fund my old age, and.

00:48:45;29 - 00:49:05;21

GUEST

Yeah. Who the bloody hell's going on? It's, like, completely unsustainable. Matt, you are a bit stuffed. You need your own private pension here because the state is not going to step into it. And what we need is measures that keep you out the NHS, measures that allow you to liquidate one of your many houses. Matt and pay for your own death.

00:49:05;21 - 00:49:26;19

GUEST

You need to be able to fund your own end of life here, because the state will not be able to step in. And there's all these time bombs that we've got going off NHS, social care. It just the housing market itself. We, we feel really passionately in nature living that we are fundamental part of that solution. Do not look at old people like they're a burden.

00:49:26;19 - 00:50:00;21

GUEST

They have 2 trillion pounds worth of assets. If you can just help them. Liquid eyes that then a lot of our problems can be solved. That's how passionately we feel about it. I feel really, I feel like when I go up to a planning committee and you sit there in an evening trying to get consent for 50 units, knowing that there's people sleeping on the high street and you're just like, just give me the fucking consent, because we need we need to build more.

00:50:00;23 - 00:50:03;11

HOST

And, what are the stats around?

00:50:03;14 - 00:50:25;20

GUEST

So the stats, there are well, for this particular issue, there are 9 million bedrooms tonight in the homes of the over 65 that have no one sleeping in them. Right. And there are 300,000 people who are technically homeless, either sleeping on the street or sofa stuffing 300,000 people have nowhere to live. 9 million bedrooms with no one in them.

00;50;25;23 - 00;50;48;17

GUEST

The solution is that you just have to allow your grandparents to move to the right size thing, and if you give it to them, then everybody takes one step to the left. The family moved into that one, the young people move into that one, and the people here at the bottom who are currently sleeping on people's sofas have a chance of having a home and when you, you know, we all talk about the NIMBYism and all that sort of stuff, we don't have to build on the greenbelt.

00;50;48;17 - 00;50;52;00

GUEST

We have enough bedrooms, we just need the people in the right bedrooms.

00;50;52;02 - 00;50;53;11

HOST

And so that's the bottleneck.

00;50;53;14 - 00;51;13;10

GUEST

That's the bottleneck. We're not asking for tax. Personally, I don't think, oh, we don't need tax breaks. You know, we made loads of money out of our properties. Don't have to give us tax breaks. You just have to give us something that we can choose and move into, all older people and not sitting in their four bedroom houses because they're lazy or greedy.

00;51;13;10 - 00;51;31;28

GUEST

That's sitting there because we haven't built the alternative for them. If we build it for them, everybody benefits. The bubble comes out of the housing market because it might actually be enough houses for us all to live in. From a sustainability point of view, old people do not tend to invest in the houses. They're not really insulating. They have got gas boilers.

00;51;32;00 - 00;51;49;07

GUEST

If you pop them in with me, the family that buys the home will go, well, okay, let's get on top of these windows and let's, you know, they will invest in that property. There are so many benefits. If you can just pop the all the people in the right size accommodation, we all thrive.

00;51;49;10 - 00;52;05;27

HOST

Can you talk to me about, amenities and activation activities within your units as well? Is that a is that a thing? Because there's quite a lot of chat in the BTR world around us, around it.

00;52;06;00 - 00;52;32;23

GUEST

My opinion in summary would be if I had a spare 50 grand to spend on CapEx, I'd actually spend it on staff because you can definitely over amenities for old people, and you can give them fucking snooker rooms and golf clubs, and you can give them everything. But fundamentally, when you're having a shitty day, the person is going to notice and hold your hand.

00;52;32;23 - 00;53;07;15

GUEST

There's that lovely girl who you know is waiting the tables or whatever. So older people definitely need the space to push themselves out of their comfort zones, take on new things, make connections, get set. We definitely need all of that. But the thing that makes it feel like home is, is that amazing housekeeper who always she knows exactly how you like your bed made, and she remembers to clean out your fridge and



eat it.

00;53;07;18 - 00;53;14;22

GUEST

Those are the things that you're paying for. It's not the car list.

00;53;14;24 - 00;53;21;24

HOST

It's not the pool room. It's not the ping pong or the the social or the cinema area. It's not that.

00;53;21;27 - 00;53;46;15

GUEST

It's. It's that girl who notices and will say to you, oh, is it the anniversary of Howard's death because she cares enough that she's remembered, and that's why you're looking in. So she'll spend 40 minutes having a cup of tea with you because she knows you know, your husband died a year ago, and she. She sees you.

00;53;46;17 - 00;53;55;18

HOST

Can you talk to me about intergenerational living schemes? Are they a reality? Do they work? What's your view?

00;53;55;25 - 00;54;27;07

GUEST

My opinion is that only students and old people are ghettoized for some reason. As all these get put, you know, out the back, I would look in a frickin cul de sac and, I don't understand why. Because you and I live in communities. I mean, my street is entirely generational, and I love it. So we have an experiment going on, with our newest development, which opens next Wednesday in Mill Hill.

00;54;27;07 - 00;54;57;27

GUEST

And it is a total experiment. It was actually quite difficult to get my funders to agree to it, so I had to do an article in the Sunday Saturday Telegraph thanking them for their support in order to make them support it. So we have 16 apartments of postcards, key workers, mature students moving in, and then we have 21 more independent older women moving in.

00;54;57;27 - 00;55;37;26

GUEST

And then all of my old is so by the end of that first week, about just under 75% of that building will be full. And I think my hope is that as you walk through reception, you will see, you know, people trotting out of the college in their uniforms or whatever. And you will sit down for your Sunday lunch next to a young man who's working from home and tapping away on his computer, and you will feel more connected to real life, modern life, what it's like than if you're just living in a homogenous group of people who look exactly like you.

00;55;37;28 - 00;56;10;28

GUEST

So I believe that my business model will be supercharged by tenure, because I think those people will live longer. And obviously every day that they're alive and making more money, like we're all aligned, that everybody wants them to live longer and have a healthy later life. But it's all conjecture as well that the young people, the students, they're resilient in their ability to live in this modern world, which sometimes quite overwhelming, will be increased because they will be sitting with people who've been turn it on and they will say, you know what's happening in Gaza right now?

00;56;11;01 - 00;56;27;10

GUEST

This is what happened last time. This is how it played out. This is what might happen this time. This is how, you know, you get to a resolution and the company of all people gives you hope because you actually think, okay, we're going to be okay. We're going to make it through this. This is this is a blip.

00;56;27;13 - 00;56;59;10

GUEST

We have been here before. We will get out there. So I haven't yet quite worked out how to track those improvements and evidence that intergenerational living is good for us all. But I've got till next Wednesday to pull that together. So we will work out how to track that. It came around as a quirk of planning that I ended up with a building that allows me to do that, which is entirely fortuitous.

00;56;59;13 - 00;57;12;13

GUEST

And maybe that's how good ideas sometimes happen. Is it's a set of extraordinary circumstances that appear and you go, okay, I'm going to make the most of this. I'm going to make something out of it. So we'll see.

00;57;12;13 - 00;57;36;06

HOST

Matt, talk to me about, well, we sit we sit here, general election on our doorstep. Pretty well, you know, baked in that labor are going to come in. What are your views on Keir being in number ten? Is that going to be good for you? Is it going to be bad for business? It's going to be good for your residents.

00;57;36;06 - 00;57;40;10

HOST

What's your what's your view?

00;57;40;12 - 00;58;13;10

GUEST

I'm incredibly optimistic about the labor government. I think they're in it for the right reason. I think they're in it for the greater good. I think there'll be less, pandering to their cronies and more of the right decisions made for the right reasons. There are things that I read where labor fundamentally acknowledges that your ability to succeed in life is based on a sense of home.

00;58;13;12 - 00;58;42;13

GUEST

And if you have a fragility about your sense of home, if it's in some way temporary or, can be taken away at any minute, your ability to go forward and succeed in life is reduced. And I feel like labor understands whether it's a rented home or an owned home, your security of tenure and your ability to get that house to yourself and feel like it is your home that is the key to economic success for the country.

00;58;42;15 - 00;59;06;23

GUEST

And anybody who doesn't have that has to be quite so can extraordinary to go on in life and achieve anything. Because that that that trying to push off from sound from like quagmire and what they need is the solid base of a home to go and achieve. And I feel like what we're hearing from labor is that they understand homes of all sorts of different sizes and shapes, and Tanya are important.

00;59;06;26 - 00;59;12;17

GUEST

And so let's give you a greater sense of home.

00;59;12;19 - 00;59;25;16

HOST

Can you talk to me about, your team size of team, HQ? Where is it? And the projects and what? The future or the next 12 months for the business look like as well?

00;59;25;18 - 00;59;44;04

GUEST

So, for 5 or 6 years, we didn't have a head office at all because I thought, oh, you know, we all need to be working with the old people because they're dripping insight into our. So you'd sit there at the bar, tapping away in the fucking shopping Victoria sandwich underneath, and, my new, chro join me is on on.

00;59;44;04 - 01;00;06;08

GUEST

This is completely unsustainable. We need somewhere to work. So we do now have a scrubby little office in the middle of all our developments. My team, my well, I don't know. You know more about team and recruitment than I do, but I have taken the strategy of when I find somebody amazing, I bend my company to accommodate them.

01;00;06;10 - 01;00;33;28

GUEST

I don't tend to go out and look for somebody to fill the problem. A company needs, which sounds a little bit messy, but so the second person who joined my business after me has is, well, I used to call him Millennial Matt, but now I appreciate that that is aging him because as a millennial, he's getting on a bit, he is he has no KPI, no job description, no direct reports.

01;00;33;28 - 01;00;58;25

GUEST

Its bonus is not based on the thing. Like he has nothing to do other than ask me the questions I don't know the answers to. Like that is his job. And so he doesn't even really have a title. But he was the second person into the business. My CFO, when I needed to find the brains of the business, my cfo's not even an accountant, and the board were like on a good platform.

01;00;58;26 - 01;01;24;29

GUEST

One can do that for CFOs. Not even an accountant. I was like, yeah, but the guy is brilliant. And so the rest of the business has squirmed around to make Raphael to accommodate this amazing brain, because that's we needed that brain. I didn't particularly want to put Raphael in some sort of pigeonhole. And then very recently, I got a planning shock.

01;01;24;29 - 01;01;40;19

GUEST

Last year, I got another one. I don't really get notes. No one says no to me. And I got a no. And it it really not me for the whole Christmas period. I'm like, how did I get that? No. Why did I not see it coming? Where does it come from? And then Matt, the boy whose job it is to ask me the questions, I don't know, he said.

01;01;40;19 - 01;01;58;08

GUEST

The thing is, only you've surrounded yourself by people who say yes, just like you do, and nobody will say no to you. So when you get the no, you're not, you don't say it's coming. So he said, the next people that you pull into this business need to be people who can say no. And so my new development director says no.

01;01;58;08 - 01;02;26;23

GUEST

And it it shocks me. It took me weeks to accommodate. Oh my God, this person's not saying yes to me all the time. And then mountain saying, oh no, this is what we needed. We needed someone who would

present, you know, the half glass empty as well as the smart people. And so I know. So I have oddballs who have no particular job description, who maybe their job is to balance out the bits of my personality that are unhealthy.

01;02;26;26 - 01;02;56;22

GUEST

And then my COO, is the person who, amongst all those people who are now saying no to me in person, he looks after me and he'll look at me and go, are you okay? You know how you sleep like I need somebody, just one person on my team who cares? And so that's the coup. So between us, we are a little mishmash of qualifications or lack of, but.

01;02;56;25 - 01;03;21;22

GUEST

The result is this. Do you know what? Matt is really incredibly flat. So, you know, if I go back to that, my biggest mistake is splitting up with my business partner and running the agency on my own. That sense of loneliness being at the top of a business on your own is incredibly isolating. It's just not healthy. It's really difficult for anybody to live like that.

01;03;21;25 - 01;03;43;06

GUEST

And I just wasn't very good at it. I wasn't good at just being the only person that everybody looked at like it's just not healthy. So now I think there are five of us in the management team. We call ourselves the BLT. The Sky leadership team. There are five of us and it's really, really flat and nobody.

01;03;43;09 - 01;03;45;24

GUEST

At the end of that struggle to make the decision that.

01;03;45;24 - 01;03;46;24

HOST

Stops with you.

01;03;46;26 - 01;04;04;14

GUEST

But I'm not alone. And that is really, really important. I think for my ability to take risks is because those four people give me this really beautiful, solid.

01;04;04;16 - 01;04;23;09

GUEST

We talk about the triangle being a really safe shape, don't we? It's not really robust, but I don't know about modern 21st century businesses. Whether that sort of hierarchical pyramid is the way it should be, or whether actually a modern business is a bit more flat. What do you think?

01;04;23;12 - 01;04;24;19

HOST

It's not about what I think.

01;04;24;22 - 01;04;27;03

GUEST

Is my I've got to learn some.

01;04;27;05 - 01;04;37;24

HOST

Courses about you. We can talk about that later. Tell me, tell me about the rest of your team then. So there's five of you in your senior BLT 90.

01;04;37;27 - 01;05;09;14

GUEST

So interestingly, when we took on MJ, and I bought the first two assets, we were woefully underprepared for quite how onerous it is having a relationship with a really big business. The reporting is extraordinary. What they need to know about our buildings from a sustainability point of view, from health and safety. It we have had to put in like £1 million of overhead into our business just to accommodate those first tier assets.

01;05;09;17 - 01;05;30;05

GUEST

But the resources are much better business and I really resisted it. And the coals are all out. You have to do this. You have to have air and you need health and safety. You need all these things. And of course now I got them. I'm like, oh my God, I feel so much safer. I feel protected as a director of this business because there is a layer now of people whose job it is to do everything properly.

01;05;30;06 - 01;05;30;26

HOST

Governance.

01;05;30;26 - 01;05;54;12

GUEST

Yeah. Rather than just winging it. Yeah. Which has always been my strategy. So I love that there are, there's a, there's about seven people out who are not winging it. They're genuinely qualified and they know what they're doing. But my my overriding fear is how do I keep what is special about Birchgrove when we have a Birchgrove in every town in the country?

01;05;54;14 - 01;06;14;23

GUEST

And I'm really, really scared that I'm actually not going to be the right person to do that. I can't do it. I won't be the CEO at that point because my personality type just doesn't thrive with people who do things properly. I'm just a last time everybody's names, and I don't really want to work in a business my time.

01;06;15;00 - 01;06;15;14

GUEST

So.

01;06;15;20 - 01;06;17;05

HOST

So what's your team headcount now?

01;06;17;05 - 01;06;18;20

GUEST

Going 87.

01;06;18;23 - 01;06;24;15

HOST

So you're 87. And that's split between H. HQ and then onsite staff as well.

01;06;24;15 - 01;06;27;23

GUEST

Yeah there's 15 members of staff in every development.

01;06;27;25 - 01;06;38;09

HOST

So how big's your HQ staff? 23 to 23. And then 50 orders on site. And then what's the a? If you were to.

01;06;38;12 - 01;06;40;24

GUEST

100, 226 million.

01;06;40;26 - 01;06;43;03

HOST

And beds.

01;06;43;06 - 01;06;46;29

GUEST

715.

01;06;47;02 - 01;06;58;04

GUEST

I need to get up to a thousand by 2027. So I need to find another 250.

01;06;58;07 - 01;07;13;06

HOST

So when I talk to CEOs, kind of three biggest challenges that they normally have is capital deals and then people attraction and retention. Is it finding deals. Is your your kind of biggest challenge at the moment? No.

01;07;13;08 - 01;07;36;20

GUEST

Because this is the market for deals isn't it, man? Geez. The deals I mean, it's you know, we're big believers in you know, my entire business is based on Beyonce. I and when she, she says, you know, when the world sends you lemons, you've got to make lemonade. So we've had lemons and fucking extraordinary measures, haven't we, since February 22nd.

01;07;36;20 - 01;08;04;08

GUEST

Well, maybe even March 20th. We've had some lemons on our way, and every single one of them has just given opportunity. I mean, like, we're batting off opportunities. It's extraordinary. Said, no, it's not deals, it's not funding. I would like cheaper money, but we have money. Our talent is just to be good enough. Customer deserves the most extraordinary, life changing opportunities.

01;08;04;11 - 01;08;20;26

GUEST

And how do we do that at scale? How do we not just become generic, cracking them out, cookie cutter? How do we create that amazing hug that you get when you walk into Birchgrove, when there's 100 of them around them? One that's nine. That's my only challenge.

01;08;20;29 - 01;08;28;18

HOST

You, I mean, transitioned into real estate. You've done a couple. Of course it's happened. You you went to Insead and Harvard. Where? Right.

01;08;28;21 - 01;08;31;16

GUEST

Insead, Harvard and Wharton and Wharton.

01;08;31;18 - 01;08;39;11

HOST

All with a view of upskilling or learning about real estate. Or is it been a case of on the job with your team, asking you questions?

01;08;39;11 - 01;08;40;09

GUEST

No.

01;08;40;12 - 01;08;57;08

HOST

Just thinking of the mindset of someone who has maybe had a 15, 20 year career outside of real estate, but is coming into it now. How do they go from being a runner, you know, running an agency to transitioning to being a CEO? Of a real estate developer?

01;08;57;10 - 01;09;21;04

GUEST

It's a mix, actually, in my case said to me yesterday, you know, I need to learn on a more about, you know, how do you calculate a yield and what are the things that influence the IRA. And so I will send him to Insead for a finance course. But, for me, the executive education that I actually think the older I've got, the more of it I want it.

01;09;21;06 - 01;09;38;04

GUEST

It's not a case of I know everything now. It's like, oh my God, all these things that I don't know. For me, the joy is actually there's a little bit of time away from the business. I think. I think I don't know, that's. But I think to be a CEO, you have to compromise every other single aspect of your life.

01;09;38;06 - 01;10;04;22

GUEST

I am a shitty mother because I'm a CEO and you have 100%. You can't give 100% to your kids and it doesn't work. That's not maths. So I say I will give almost everything to their business, which means that we think about it every single minute of the day. And the joy of going away for executive education is that it's like a geographical take yourself away from this bloody business.

01;10;04;22 - 01;10;26;05

GUEST

Can learn something and then bring it back and deploy that. But when you head down deep in your business, it's really difficult to, take that view to just get your head up. So for me, I need to do it about every 18 months. Otherwise I won't innovate. I literally cannot innovate when I'm just talking to my own business.

01;10;26;05 - 01;10;55;26

GUEST

I have to be outside of the business to get stimulated by people who are always way cleverer than me. Now, when I went to Harvard, do you know what the people who turned up in their own private chats were all the boys, and they were all boys working in self storage, no operating costs, very cheap bill costs, contracted revenue just repeats all day long.

01;10;56;03 - 01;11;19;22

GUEST

And I was like, oh gosh, I need a bit of that business. How do I bring that? What's nice about that business into my business? I mean, I haven't got a private jet yet, but it is an aspiration to want a business that could afford a private jet, even if I don't get one. So I just cannot tell you enough how, you know, millennial math I was talking about one year.

01;11;19;22 - 01;11;32;27

GUEST

I said to him, do you want your bonus or do you want me to send you to. He went to Wharton and he said, go to work. Now, what about Samuel Wharton? And he went to war, and he came back and he was like on fire for about six months. I was like, Jesus, the best bonus I ever spent.

01;11;33;00 - 01;11;47;10

GUEST

Because he just came back with loads of new ideas and we tried loads of shit. We threw lines of shit at the wall. Some of it was amazing and some of that didn't work, but that was like a really great expenditure for the company to send. Matt to get stimulated and to innovate.

01;11;47;12 - 01;11;57;07

HOST

What advice would you give someone entering the real estate career?

01;11;57;10 - 01;12;24;10

GUEST

Sometimes. People overthink real estate. You can. You can do a lot of appraisals. Country. You can prepare a lot of PowerPoints. You can spend a lot of time moving decimal points around, but you do need to just get started. You do need to take that risk and just get going. And I see so many young people have amazing business ideas.

01;12;24;10 - 01;12;51;09

GUEST

And I'm like you, waiting for it to be perfect is never gonna be perfect. There's no such thing as a perfect site. You just need to go. Just get started. So I would say try not to overthink it. I don't know if that's a successful strategy. What would you say, man? Come on, you in it. What do you say to young people before they go for their interviews for a real job that they really want?

01;12;51;11 - 01;13;10;19

HOST

I think one of the key things is that you've spoken a lot about, behaviors. I think in interviews, people are really good at looking at technical skills and trying to match technical skills to a job role. Can you functionally do the job? I think it's the the little one percenters around behaviors that for me really stand out.

01;13;10;19 - 01;13;42;19

HOST

So I guess to give you an example, about seven years ago, I was I was retained by a, property, investor, and they were looking to bring in a head of or their looking to bring an asset manager, to their business to, to kind of look after a portfolio and, they wanted an asset manager already been on the client side, had already done the work, got experience with the occupiers and could literally plug and play.

01;13;42;21 - 01;14;14;16

HOST

But there's this guy who was in Bristol as a property manager. He wanted to move to London, and he wanted to change from being advisory side to the principle side. And I managed to get him an interview. And ahead of that interview, I didn't actually know this was what he was going to do. He gave up his weekend, and he drove from Bristol to Colchester to go and have a look at one of the retail parks that they had, and then he drove to Swindon to go and look at their industrial estate, and then he drove to another asset and then he drove back to Bristol and he turned up to the interview with

01;14;14;16 - 01;14;35;20

HOST

this really charismatic, direct, punchy, you know, fund manager. And the first question was, so what do



you know about our business and our portfolio? And he said, well, the guy fell off his chair because not only had he turned up, he also had a view, a little business plan in terms of what he would do if he's in the seat.

01;14;35;22 - 01;14;57;02

HOST

And lo and behold, he got the job. And so for me, in terms of advice, I think that kind of story encapsulates the things that, people need to focus on. And if you can exhibit the right behaviors, the technical and the skill, you'll find a way of picking it up. And I think, you know, it kind of rings true, that story in terms of how you've been able to do what you've done.

01;14;57;02 - 01;14;58;06

HOST

But.

01;14;58;08 - 01;15;11;16

GUEST

For that person to have that level of curiosity to, I mean, God, if that person was if I interviewed, oh my God, that's the person you want. Personally, I ask curiosity. That's all we need in life.

01;15;11;19 - 01;15;13;23

HOST

And he's he's still with the same company.

01;15;13;26 - 01;15;14;21

GUEST

They're doing well.

01;15;14;24 - 01;15;38;07

HOST

And I spoke with the CEO and he said, you're not taking him from. So don't worry, don't worry. So I love recalling that story. So anyway, it's the behaviors. So I think if you're preparing you know, you can never be overprepared. It's the people that turn up kicking the tires, clearly not having done the work. That is a big red flag for me anyway.

01;15;38;10 - 01;15;49;02

HOST

So we cast, focused forward on over the next 12 months, what are you most excited about? What are the plans? I know you've got, thousand units you need to get to.

01;15;49;08 - 01;16;19;26

GUEST

You have to find another 250 before Christmas. I think me and bridges need to work out for ourselves. How do you get that evergreen element? How do we stop selling our babies and keep them so that that is then the platform to get a Birchgrove into every town in the country? It's a funny old market, but this is this is the moment where you make the money.

01;16;19;26 - 01;16;43;27

GUEST

This is this is the moment where everybody gets rich because the market is so weird and so we just need to crack what is in our future. How do we how do we hold on to these amazing assets? I think for bridges, sometimes they feel like as social impact, as private equity with 20% are they start businesses, but then they have to sell them on.

01;16;43;27 - 01;16;47;17

GUEST

And then the bloke who buys them makes out like a bandit. He makes.

01;16;47;17 - 01;16;48;07

HOST

All the lady.

01;16;48;07 - 01;17;10;01

GUEST

Men typically blunts, a man. Yeah, man. I just sell my business to a woman. And bridges have done that a few times now, and they always watch that person make the mega returns. And I would love it for them to say, right, that's gross, man. We're not going to transact on. We're going to hold this baby and we're going to make the mega returns.

01;17;10;03 - 01;17;15;09

HOST

And we're going to have mega returns from an impact perspective, as well as.

01;17;15;11 - 01;17;17;20

GUEST

I take everybody.

01;17;17;22 - 01;17;28;07

HOST

So as we drew to a close, a question that I ask everyone who comes to the podcast is, if I gave you 500 million pounds worth of capital, who are the people? What property? In which place would you look to deploy that capital?

01;17;28;10 - 01;17;58;05

GUEST

Well, my people did give me 500 million pounds every day and I do exactly what I'm doing now. I fundamentally believe that if you gave me 500 million, your 500 million is best spent with my business in later living. And for all the reasons that we've discussed, that we will take the pressure out of the housing market, which allows young people to get on, we will take the pain out of social care and us all believing that we have to pay for everybody to die.

01;17;58;07 - 01;18;27;26

GUEST

We will return daughters to work. Currently daughters still happens Matt. But women have to look after their parents. And when my parents move in with me, I watched that woman go back to them. She gets a job again. She becomes an economically viable person, paying her own taxes. You 500 million spent in later living affects. So much change has so much impact across the entire sector that it is a bloody brilliant way to spend your money.

01;18;27;26 - 01;18;40;23

GUEST

So 500 million. I did think about it though, the other day. 500 million really only builds us 2000 units. It's not a lot, is it, for 300,000 homeless people in this country?

01;18;40;25 - 01;18;43;08

HOST

Not with a are not with a lady of your ambitions either.

01;18;43;08 - 01;18;44;12

GUEST

The size and.

01;18;44;13 - 01;18;59;02

HOST

Scale of the problem. I'll have to give it up. We'll have to go and go and get a little bit more than 500 million. But outside of that, if you can't have your team, you can't have your strategy. Where would you look to deploy it? Private jets of storage.

01;18;59;04 - 01;19;22;12

GUEST

I mean, a disaster. I really, genuinely believe in home in a sense of home. And whether it's for old people or people like you in your two homes or young people, home is, the secret of our success. And so I would spend 500 million in home.

01;19;22;15 - 01;19;48;17

HOST

On a you, literally one of a kind. You're you're fascinating. I feel like I could talk to you for ever. Frankly, I think, as an industry, we're we're so lucky to have you doing what you're doing. And I wish I could talk to more people that have had a phenomenally successful career that have transitioned into real estate and are having the, the impact.

01;19;48;20 - 01;19;54;03

HOST

And I've got the clarity and ability to execute on a massive problem and.

01;19;54;04 - 01;20;05;10

GUEST

Well, you ask some really good questions. So thank you. Because you actually did make my brain run these two things and think about, well, how do I feel about that? So it was I learned something in our hour together.

01;20;05;12 - 01;20;22;28

HOST

Well thank you I know you've done a couple of podcasts before. I deliberately haven't listened to them because I didn't want it to, influence this conversation. But, you know, for people listening to this who are obsessed with honor and listen to go listen to those, and I think, I think off the back of this conversation, I'm going to have to go listen to them as well now.

01;20;22;28 - 01;20;31;12

HOST

So. Well, look, thank you for joining me. I've absolutely loved it. And like I said, I'm really excited to see what you and the team going to achieve.

01;20;31;17 - 01;20;34;06

GUEST

I really appreciate you giving me an hour of your time. Thank you. Well.