

00;00;03;28 - 00;00;26;17

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;26;20 - 00;01;01;28

HOST

Today, on the People Property Place podcast, I'm joined by Paul Weston, senior vice president and regional head of Prologis UK. Prologis is the global leader in logistics real estate with a focus on high barrier, high growth markets. As of the 30th of June 2024, the company owned or had investments in properties and development projects expected to total approximately one point 2,000,000,000ft<sup>2</sup> in 19 countries, with approximately 6700 customers.

00;01;02;01 - 00;01;33;19

HOST

Paul has worked in the UK industrial and logistics sector for 30 years, and began his career in industrial agency at JLL before working with Guiseley. Now GLP and Brixton plc, now part of grow, joining Prologis in 2003. Together with the executive team, Paul is responsible for setting the strategic direction for the UK business and also works closely with the European and global leadership teams.

00;01;33;25 - 00;01;36;06

HOST

Westie. Welcome to the podcast.

00;01;36;07 - 00;01;37;08

GUEST

Hi Matt, it's great to be here.

00;01;37;09 - 00;01;54;20

HOST

Not at all. Well, look, I'm I'm really excited to get tucked in, to your career and experience and also find out a little bit more about pro lodges and how you see the market. But a place that we always start these conversations is how and why did you get into real estate? Because you did a geography degree, if I'm not mistaken.

00;01;54;24 - 00;02;15;03

GUEST

I'm going to come clean. I did a general studies, open bracket, geography close bracket degree, and I'm saying that because my kids will slaughter me if I don't if I don't say that. So actually, I started off doing joint honors French and, geography at Birmingham University. I chose to do a couple of subjects that I really enjoyed at school.

00;02;15;06 - 00;02;29;21

GUEST

Unfortunately, the French is a bit hard. I got through on a reset at the end of my first year, but then I decided actually, maybe I just need to pivot. So I did spell out an American degree. You did sort of two thirds of a geography degree, and then you were able to choose a couple of minor subjects each year.

00;02;29;21 - 00;03;02;19

GUEST

So, yeah, I got through, university, unscathed. I think, and really enjoyed it. And it's interesting because I didn't know about real estate at the time. I mean, it was it wasn't something that was a natural career path, a university in those days, for me, anyway. And I, I've been a social secretary, at university, and I was organizing gigs and bands, and I, my highlight was putting on a band called Roach for just as they

got to number two in the charts.

00;03;02;19 - 00;03;20;06

GUEST

It was an absolute fluke, but, there we go. That was a good night. But, I really enjoyed that sort of sales and marketing thing. And I remember my, my stepdad was a chartered accountant, and he said to me, look, you really need to get a professional qualification. And I thought, okay, let's look at what that might be.

00;03;20;06 - 00;03;41;23

GUEST

And he was an accountant, actually, that's a bit it's not really me. I was seeing a lawyer at the time. I thought, gosh, that's really hard working, really, really hard work. And my, my uncle, my, my, my stepdad's, brother had been, what time? He was the only chartered surveyor in the Cayman Islands. And I thought, okay, that seems like a reasonable, courageous.

00;03;41;23 - 00;04;04;16

GUEST

He'd actually moved over to America by that point and was working, for James Lang, actually, and we can come back to him later because he became president of the RCS. So there's a, there's a, there's a good family link anyway to the, to the RCS, but, I thought, yeah, oh, maybe give property go. So my stepdad was working for a university superannuation scheme.

00;04;04;19 - 00;04;23;14

GUEST

Yeah. And he said, well, let's see if I could get you some work experience. And this is, you know, in, in the late 80s, this is sort of how you got an opportunity and, he approached James Lang, who were, you know, the US fund manager and everything else and said, you know, any chance that Paul could have a better work experience?

00;04;23;14 - 00;04;46;26

GUEST

And they set me up for a month, in what was the compulsory purchase team? And that was a pretty specialist team in terms of files and everything else. Amazing. Guy Ritchie actually ran that. And actually, someone whose path I've crossed with the number of times Charlie Dady, who's now an international partner at Cushman Wakefield, he was on his grad rotation at the time, but I spent a month with him, enjoyed just getting to grips with real estate.

00;04;46;26 - 00;04;51;11

GUEST

I'd be going out holding the end of a tape measure and, you know, that sort of stuff. You were you were.

00;04;51;11 - 00;04;54;29

HOST

Knocking on people's door saying, I'll give you 500 grand, buy a house.

00;04;55;01 - 00;05;15;29

GUEST

No, not not then. But, I thought, you know what? I'll, I'll apply to the grad scheme, because a lot of the big surveying practices had taken people from traditional surveying courses, but they were thinking about bringing people in who were non cognate from, from other degrees. Landed a job with James Lang, which was was great.

00;05;15;29 - 00;05;35;19

GUEST

It was the job I wanted. And, you remember when you walked into 22 Hanover Square in the day and there was fish ponds, and it was glamorous and it was like, you know, this is sort of like amazing. And I started actually, because I'd been a geography student, they thought he can write essays, so we'll put him in the research team.

00:05:35;19 - 00:05:47;10

GUEST

So I had a year in research and actually started off in a building called Kent House, which was in Telegraph Street in the City of London. So straight into the city,

00:05:47;13 - 00:05:48;17

HOST

I think probably that.

00:05:48;20 - 00:06:08;10

GUEST

4 or 5 months and the department was leaving Kent House moved over to the, to the West End, but it was really I mean, the tea ladies, people who pushed trolleys around, people would smoke in offices. It was like, you know, it was just a different sort of er and different time, but actually doing the town reports type of thing.

00:06:08;10 - 00:06:29;19

GUEST

You know, I, I'd go into some, I like that Summer of Crawley and you'd write about the office sector, the retail sector, the industrial sector. So it gave you a really good grounding on property. Meanwhile at James Lang they'd set up like a, a day release course with what was, well, Southbank Polytechnic at the time became Southbank Uni.

00:06:29;22 - 00:06:50;22

GUEST

And you would basically spend Wednesdays with a cohort of other James Lang, you know, grads who were about there were 20 who went in in my year, of which around ten went on coke. So we'd also do one night school a week as well. And quite quickly, over a couple of years, we got a postgraduate diploma in estate management.

00:06:50;29 - 00:06:55;27

GUEST

Very exciting. You could have turned that into a master's, but I didn't write another essay.

00:06:55;29 - 00:06:57;07

HOST

Is that a theme with you? It's all the.

00:06:57;07 - 00:06:57;20

GUEST

Same.

00:06:57;20 - 00:07:04;17

HOST

I don't know, it's just like a nightclub promoter, you know? Yeah. It's great. So your degrees. You said you get them in school.

00:07:04;24 - 00:07:35;06

GUEST

I tell you, I only scraped through my first year, I think get two already. I'd say it was all right, but I, I yeah, I

thought that that's I, you know, you sort of think God doing music would have been amazing, but it wasn't, you know, that that sensible bit of your brain came in and said, you need a career or, you know, and, and so that first year writing those essays, getting those reports got a good grounding, then they move, you know, you have the grad rotation as well.

00;07;35;08 - 00;07;59;02

GUEST

And actually some of those grads that were on that course, that that year of intake, there were some really, you know, people like James Ray case, Columbia Threadneedle, you've got, Nick Dietz who went through Costco and there's a scandal. Now, Duncan, I he's had a stellar career. Rob Seabrook, he's, hotels at CBRE.

00;07;59;05 - 00;08;19;04

GUEST

Executive director. So there's a good. You know, it was a good group of people. He sort of went through there, some of which were colleagues, some went on coax, built good friendships and my second move was to what was then property management services. I mean, this was literally changing. It was collecting rent. It was really nitty gritty.

00;08;19;07 - 00;08;45;21

GUEST

Property management around the time it was 91, 92. So we'd seen another recession come in. There were empty office buildings in the city. It was just it was pretty granular stuff. You were doing. But again, it's giving you a really good feel for the the real estate, the rent review process. And, and actually my, my third placement, there wasn't a spot in Fowles at the time.

00;08;45;25 - 00;08;50;01

GUEST

So I went into open market rent reviews in 1992 where I would.

00;08;50;04 - 00;08;51;00

HOST

Yes. Advisory.

00;08;51;05 - 00;09;08;21

GUEST

Yeah. But there were many rent reviews in 1992. So you were arguing the toss around very small. Really increases nil increases measuring abattoirs in Guildford as they're working. I was just like, you know, really just proper nitty gritty stuff. Sorry, I won't go.

00;09;08;21 - 00;09;28;04

HOST

Oh, no, I was going to say is that, did did did the realization of a career in, in, in real estate kind of hit home when he'd been banging out these reports. Probably didn't want to do you know, you're kind of arguing over nil increases. You're doing bog roll property management. You kind of like this. This wasn't the glamorous Cayman Island lifestyle that I aspired to.

00;09;28;05 - 00;09;54;05

GUEST

That is spot on. In fact, I actually applied to leave. I applied to the Mars training program. But for those, you know, the Mars training program, there's some pretty stellar people on there. I got through to like a last selection, but around the same time, I'd been doing a day a week in West End agency to get some agency experience as well, which, again, was a totally different world to being in rent reviews or what have you.

00;09;54;08 - 00;10;19;11

GUEST

And a SpaceX came up in, they said, look, we're going to take on to nearly Qualified is about to be qualified into what was then called the Business Space Team, which was very much the leasing business at Jones Lang. They covered out of town offices and industrial. There was a change. The yeast classes order in 90, 87, which brought it all together under like a homogeneous block.

00;10;19;16 - 00;10;45;24

GUEST

But James Lang, we wanted one of a number of businesses that decided to split. That. And I went into I was the first sort of new recruit, along with person I still work with today, Robin Woodbridge or Woody into the James Lang business space team. He went to work with Andy Clifford, who ended up at C Grove for many years in the development side, and I went into leasing and it was really industrial, was a pretty grubby sector at that point.

00;10;45;24 - 00;11;01;19

GUEST

It wasn't. There's no glamor industrial. You'd split, you'd go to sort of gatherings of agents from the James Lang world and the city guys would be there in their chalk stripes, and they knew that square mile and everything else. And we were sort of like, you know, hiding in the corner sort of thing. Oh, it's just like, yeah, we're in the industrial team.

00;11;01;19 - 00;11;23;25

GUEST

Oh yeah, you don't make many fees, do you? And it's like, yeah, okay, one of those. But umbrella. Yeah. Well but unbelievable, you know, grounding in life. And I did my first deal after about three months a lease at Bricklayers Arms. And I didn't really look back. It was five years at, James Lang and James Lang.

00;11;23;27 - 00;11;34;22

GUEST

They made you feel like you were like the cream of the crop in those days. And when other people came. So do you fancy a job? It was always going to be difficult to leave James Lang to go to another agency.

00;11;34;29 - 00;11;37;26

HOST

Who's actually had the best instructions, or is it the best team or.

00;11;37;29 - 00;11;58;02

GUEST

I think even if they didn't, they made you feel like that. But actually, yeah, they did have a really good reach. And the business was also going regional in the mid 90s. So, you know, an office opened in Manchester, Leeds, Birmingham. I did have an opportunity to go back to Manchester. I'm from the northwest originally when that office opened.

00;11;58;02 - 00;12;18;29

GUEST

But to me, London was just it had more to it in those days. And yeah, I think it's probably different now. You know, you go to the northwest and it's incredibly vibrant. But in those days it was it. Yeah, I really quite like London and, and what we're doing and everything else. And so for me to leave James Lang was quite something.

00;12;18;29 - 00;12;39;09

GUEST

It was a bit of a, a bit a little bit of a wrench because you felt very loyal to that. That business. But I got, one of the things I, I think of Zelda is in building a network, and I had a very good network of young agents

that, that we would go out for beers regularly. We'd see each other at launches, whatever that may be.

00;12;39;09 - 00;12;50;19

GUEST

You build really strong links and some of those, you know, they're still there today. And that is what made me valuable to, Guiseley when they, they came knocking.

00;12;50;19 - 00;13;06;01

HOST

And so is it a case of having done three different rotations. You've kind of moved into this business space leasing type world and you thought actually it's a good fit with my personality, my interests, my skill set. I can be transactional in terms of nature and do deals, and it's got the opportunity to go and be sociable as well.

00;13;06;02 - 00;13;10;13

HOST

Yeah, and it's more fun than banging out boring old reports.

00;13;10;15 - 00;13;26;16

GUEST

It I mean, you just nailed it, to be honest. It really suited me. And, you know, I think as you get into a point where you manage a business now and you look at the different roles you need, if everybody was like, you know, I want to do that stuff, I want to do this, I want to do that.

00;13;26;16 - 00;13;34;28

GUEST

Nothing would ever get done. You know, you still need your people who can make things happen. Deliver the solid, solid stuff, and then you need you guys who can get out there and.

00;13;35;05 - 00;13;36;15

HOST

Be there for.

00;13;36;17 - 00;13;39;08

GUEST

Absolutely is getting that balance right in any business.

00;13;39;08 - 00;13;51;16

HOST

And so you wouldn't move to another advisory agency type role. How and why did you decide to to make that move to to Guiseley? Because whether they were a merchant shed developer back then. Right.

00;13;51;18 - 00;13;52;28

GUEST

Well not not not quite.

00;13;52;28 - 00;13;55;00

HOST

Is this pre pre Brookfield days.

00;13;55;07 - 00;14;20;15

GUEST

Yeah. So so guys who actually owned by Asda the supermarket chain in those days. So they were still quite corporate. And and in those days there weren't that many big shed developers of Guiseley and there was Kings Park and Kings Park became Prologis and probably explore that John Birch, John Cuts and

and David Care and Greg Court were running that business and that was a proper, you know, merchant development business in those days.

00;14;20;15 - 00;14;53;11

GUEST

It was very what you call Guiseley was much more corporate collegiate really. It was a very easy place for me to go. Having been at James Lang. But it's really funny when you move into development as an agent, you think you know it all because you've done some deals and you know about the mark. And I knew my landlord and tenant and a new my leases and everything else, but you go client side and you suddenly got to try and do a build to suit at Magna Park in Lutterworth, or whether that may be and you've got to learn.

00;14;53;13 - 00;14;57;09

HOST

Your head's on the chopping block. Yeah. You got to make the decision right. It goes right or wrong. And I was.

00;14;57;09 - 00;15;19;29

GUEST

Really lucky that the people I went to work with, that the reason that job opened up is because a couple of people had been poached to go to Kings Park. But Ian War Boys had just joined, Guiseley at the time from struts actually. And he was. Yeah, he's a classic networker and everything else. And I think he saw in me a younger version that could go out and network.

00;15;19;29 - 00;15;37;24

GUEST

And because what gauge they needed was market reach. They needed to get into the brokers, the people, because the office was up in Lutterworth, on Magna Park when I joined three months later, it moved down to Milton Keynes. But it it was still quite parochial in terms of where it was.

00;15;37;26 - 00;15;51;08

HOST

And what happens normally is, you know, the more senior individuals have got their network, but actually there's like gaping holes in that kind of five year peak type level. Right. And actually, yeah, bringing you in to plug that gap and that was it that had the coverage of the market.

00;15;51;11 - 00;16;17;12

GUEST

Yeah. And so I for over four years, I was you know, that Pat McGillicuddy, who ended up leading the Guiseley business after, John Duggan retired, Andy Griffiths was was my boss at Gazin and actually subsequently became my boss of private jets. It all sort of does just sort of go full circle. Some of this. But I had some of the best people I could learn from about development at the moment I joined.

00;16;17;12 - 00;16;35;16

GUEST

He he put an arm around me. He said, look, best advice I can give you. We've got 2 or 3 projects on site. Go, go and speak to the project manager and go to every project meeting that happened monthly or something like that. The project manager would walk me around the site. I'd be asking questions like, why do we do you know, why do we do it like that?

00;16;35;16 - 00;17;03;02

GUEST

What? You know, so you learning about building heights and the materials that go in there, the depth of yards, all the thing, you know, the constraints, what's happened with planning all of that just gave me such a good grounding at Guiseley. And within a year or two, I was buying my own sites. I was bringing forward

and, I to a site in Crayford about in Enfield, one up in Redditch, as well as doing some freelance, Magna Park as well.

00;17;03;04 - 00;17;23;28

GUEST

And it was just, it was a great experience. Love that come in. And it was a very there was a point where Walmart bought but as the so you had more of a dynamic American owner, of, of that business. But yeah, it was a business that was probably punched above its weight, actually, at the time, but did it in a really good way.

00;17;24;01 - 00;17;33;06

GUEST

Were really there on even in the early days, what has become ESG and sustainability was all high on the agenda of doing things right.

00;17;33;08 - 00;17;39;08

HOST

You were there for four years or so. Yeah. For moving to Brixton. Plc.

00;17;39;08 - 00;17;40;10

GUEST

Yeah.

00;17;40;12 - 00;17;46;24

HOST

As a director responsible for kind of leasing and development activity, why did you make the move and what were you responsible for at Brixton?

00;17;46;26 - 00;18;07;28

GUEST

Look, I got offered, a head of development and leasing role at Brixton. It was in Brixton. Was a really happening company. And in that space at that time, I mean, Tim Wheeler and the team, their mission was really just to play Slough Estates. That was out the water. They were quite sleepy. Brixton was buying up estates.

00;18;07;28 - 00;18;33;10

GUEST

They were really driving that. West London and London, multi layer, multi layer, some bigger projects as well, which is I think why they went for me because I'd done built to see and things like that. Elsewhere. I think that at the time it's funny and I do have this conversation with, I've had it with people who have left my business to go follow the private equity side of things or whatever that might be.

00;18;33;13 - 00;19;01;10

GUEST

And it's about the grass being greener. And sometimes, you know, when you're young, someone will come. And I doubled my salary overnight. But it doesn't necessarily make you happy, and it doesn't necessarily help. It's a brand. Culture is so important in a business. Brixton had an amazing people who worked for it, but I remember I was probably in a week or two and I was still very like, I'm not quite cuddly, but but you know, this is guys, this how we do things were really nice.

00;19;01;10 - 00;19;38;15

GUEST

We get on with people, everything else. And it was somebody said to me, look, you really need to grow a second skin if you want to be here because. And yeah, it was it was an exacting environment. As a CEO, Tim, really control that that, that business, and I, I worked really hard and it was one of those where,



I thought no matter what I did, I didn't feel I could do enough to really be whether it's true to myself, do what was right for that business and and so I wasn't really looking for another job.

00;19;38;15 - 00;20;00;26

GUEST

But then Alan Curtis, who had been at Guiseley, had left Guiseley, went to King's Park. He was running what was then Prologis. Prologis bought King's Park in 1998. Came to me and said, Wesley, do you fancy coming over to Prologis? And at the time I haven't been at Guiseley. Like, is it the dark side? You know, it was sort of like that.

00;20;00;28 - 00;20;23;07

GUEST

It was a different thing, but actually culturally it wasn't as different that by then as it probably had been in the in the merchant real core merchant developer days. So the lights of cuts and how they'd all gone, it was a very new team or a new a team of people, some really good experience in there, particularly on the project management side and development management side.

00;20;23;14 - 00;20;35;06

GUEST

Some very good developers came in and out over a period of time, and I went into basically run London in the South East, and I did that then for for what, till 2019 effectively.

00;20;35;06 - 00;20;51;27

HOST

So it was a case of, you know, going to Brixton, you kind of moving for the money and that being the primary driver, but actually realizing there's much more to a career or a job than just a financial pay check. There's the other bits around it, actually the team, the culture and the opportunity and direction and vision and.

00;20;51;29 - 00;21;16;02

GUEST

Yeah, and you do things in your head like you'd be talking to. I was talking to my wife would just about to have a second child. You're laying down, you know, on a score of like 1 to 10. What's life like now versus what it might be like? And you end up with the rose tinted spectacles on and probably I should have done the me today would advise the me of them and say, really think about the culture of that business.

00;21;16;04 - 00;21;38;14

GUEST

Are you really going to fit? Because if you're good enough, you, you know, you'll make money over time anyway, and everything suddenly becomes very rosy. Yeah. And actually, is that the reality? And played out? You know, the people were great. The really hard working people. In fact some two of Brixton is work with me today, Sally Duggleby and Stuart Davies.

00;21;38;17 - 00;21;50;28

GUEST

Paul Brydson, who's Brixton asset manager, is head of property at the Royal Mail. He's had, you know, Robert, these people are out there and around and really good people. It was just not the right culture for me.

00;21;51;00 - 00;22;04;23

HOST

So you move to pro Prologis? Obviously you just touched on, yeah, a bit of background there, but how big was was Prologis on a global scale and where did it operate at the time that you go?

00;22;04;25 - 00;22;18;17

GUEST

Oh, that that's a good question. I mean, I can't I couldn't tell you off the top of my head that the size I know it merger. When we merged with HMV in 2011, I think we were near the bar.

00;22;18;19 - 00;22;22;21

HOST

But when you moved initially, was it one of the big global logistics? So at the time.

00;22;22;21 - 00;22;47;19

GUEST

Yeah. So what, what, what sort of happened it there's a guy called Jeff Schwartz who ran the Prologis business. He was CEO. He sadly passed away a few years ago. But he was very driven. And the business had this idea that we they could agglomerate. Lots of businesses in the states, put it under one brand, own this massive amount of logistics, real estate, because logistics is going to be the thing.

00;22;47;21 - 00;23;09;07

GUEST

They were the biggest by a long way, the largest REIT. And they were, up at well, have been consistently but it was very development focused. We didn't really think at the time in those days about we have people managing our buildings internally, but we didn't really think about what happens when the lease expires because they didn't in those days.

00;23;09;07 - 00;23;10;06

GUEST

You know, it was a.

00;23;10;09 - 00;23;11;02

HOST

25 year lease.

00;23;11;02 - 00;23;34;16

GUEST

Sector. And yeah, well, we'll see. You know, we'll be back out and well, and that sort of customer engagement, customer service, we were obviously very keen to do repeat business with people. And that was something that we were good at. But that that whole world was very much we were merchant developers and it was basically build scale. Capital is, you know, limitless by the land.

00;23;34;16 - 00;24;08;08

GUEST

Build it out. And what you'll have seen is over that period, I joined 2003 up to 2008. We built, you know, big portfolio, not as focused as we are today. We did a lot of of refocusing on our portfolio after the GFC, but in those days we'd be up in Scotland. We had three schemes in Stoke. In fact we used agile got, we got another scheme in state, but we just weren't as it was about deploying capital, not necessarily everywhere about sensible real estate decisions.

00;24;08;15 - 00;24;49;25

GUEST

And when the music stopped, we had 5,000,000ft<sup>2</sup> of empty buildings. We had, you know, there were no occupiers. It was a really tough coming to ground. And Prologis nearly went under in those day. I mean, it was a classic property. Wait, page that was Prologis in pieces. I think that was 2009. Jeff Schwartz left the business or and a guy called Walt Rock Ovitz who had been CEO, he'd left sort of a falling out because of the way the business was going, came back in and basically saved the save the business with that leadership team.

00;24;49;27 - 00;25;02;23

GUEST

And then in 2011, we merged with the fourth biggest REIT, which was A and B. Yeah. And that with Hamid McAdam, who is RCA still today. That is what started then, this.

00;25;02;23 - 00;25;04;07

HOST

Whole behemoth.

00;25;04;09 - 00;25;29;17

GUEST

Behemoth of scale. And you know, you mentioned a stock like, you know, it's one point 2,000,000,000ft<sup>2</sup>. There's nearly a quarter of \$1 trillion of assets under management today. And there's 2600 people in the business. And that business. And that scale has really grown since that that merger period. I and beyond, we've done a lot of pruning of the real estate we want to own.

00;25;29;17 - 00;25;56;07

GUEST

We're very focused in terms of where we are, where we want to be, but it's still a very entrepreneurial business. When you think about other, other areas like data centers, life sciences, we might touch on that later. But it's that culture of honestly change in our business is continual, but actually it keeps you on your toes. And as a team, we've got to really, you know, be absolutely on our mettle to try to stay at the front.

00;25;56;09 - 00;26;01;09

HOST

So what role did you join Prologis as, back in 2003.

00;26;01;09 - 00;26;17;25

GUEST

So I was a development director. Effectively. Deal. I'm a director. I joined as, I think I called whether it was a vice president or I was a vice president, and I became a first vice president. We only got one of those left in business. Now it's a title that doesn't really exist much anymore. And then I became an SVP, a senior vice president in 2008.

00;26;17;28 - 00;26;51;05

GUEST

But that was very much London and South East, more big box development. Around M25. I did a scheme in Swindon, went up the M1 Dunstable did a scheme around Heathrow. Northampton sort of. Milton Keynes was probably generally about as far as I, I did I did one scheme in Northampton, but it was those sort of areas that we'd focus on, primarily near a motorway junction, pretty much classic big box development.

00;26;51;07 - 00;26;54;19

HOST

And was it just you or you're responsible for driving, leading a team?

00;26;54;22 - 00;27;15;16

GUEST

So there was a team in the south east of it was quite a small team. There's a guy called Jeremy Greenland. He's just been yeah, they he's moved into like a board role now. Neil Dickenson, he's now CEO of that business. We were very much that, that London and South East team, John Book joined us at one point.

00;27;15;18 - 00;27;28;18

GUEST

Yeah. And it was we were out there and just trying to find land to open up opportunities. But but the competitive environment was nothing like it is today in terms of the numbers of people wanting to get into into the sector.

00;27;28;18 - 00;27;40;00

HOST

So it was still the the kind of the ugly duckling of the, you know, office retail with the golden, golden child. Right. And industrial was just this business space was just that kind of.

00;27;40;00 - 00;28;02;03

GUEST

Yeah. And people outside people call the industrial. It wasn't really logistics there. And like, you know, we all it's logistics now it's very different to to how that perception was and how that perception is has evolved. We had a bigger team in the Midlands. So there were people like, Matt Byram, who's now Leeds partner Tony. Ollie Bertram is with him.

00;28;02;06 - 00;28;24;06

GUEST

Alan Sergeant, he's just retired. He, I worked with for many years, just absolute great developer people. I've learned so much from Sarge over the years. Kate Bateson was with us for some time. She's now see grow. You know, there's this whole load of people who were really, really good at their game and, and learned a lot in this period.

00;28;24;12 - 00;28;30;06

GUEST

James credit worked for me for a period of time. He's now head of See Grow. And so yeah, it's.

00;28;30;12 - 00;28;41;24

HOST

Small old world. Yeah. So so how did your role change then having kind of gone into development director because it, it shifted to being more leadership as well, right up to kind of present day. How did that evolution start?

00;28;41;24 - 00;29;06;16

GUEST

And so I think my biggest change in my, in sort of my tack, I was happy being a developer. I loved, it it suited my personality. We talked about it at the start. But I got to I think I'm going to say around 2015, 2016, I went to see Andy Griffith. He's my, my, my UK region head.

00;29;06;16 - 00;29;35;19

GUEST

At the time. I said, look, Andy, I've been doing this for years. I didn't know he was going to retire. But I said at some point, whether it's here or somewhere else, I'd like to be leadership ready to to manage a business. And so often in the property world, they just you, you get a leadership job because you're good at doing deals and nobody teaches you really how to be a leader.

00;29;35;21 - 00;29;56;14

GUEST

I was obviously convinced I would be absolutely natural at it, but Andy actually let me have I had some coaching back then. So what I'm still close to now who's been absolutely brilliant in terms of shaping my career, a guy called James Farrow at Curium, and James took me on a journey.

00;29;56;16 - 00;30;09;27

HOST

And Andy said, yeah, I appreciate the aspirations. You're a great developer. Yeah, developer. You've got

aspirations to be at a leadership seat. But, you know, I'm going to give you some coaching to kind of get there and see if actually the reality is you still want to do it.

00;30;09;27 - 00;30;29;03

GUEST

Yeah. And this is like, you know, this is a few years before it actually. Yeah. The opportunity arose at Prologis. So James I did a 360. Now most times people do 316 and it's like it's all the nice stuff. This is one like, you know, pick on the areas that he can really improve and this that and the other.

00;30;29;03 - 00;30;48;23

GUEST

And obviously I obviously I've known Mark myself. I'm a reasonably on a scale of 1 to 5, I'd be pushing myself three, 4 or 5 or whatever. And anyway when when it came out, it James warmly said, look, you're going to find this really hard. And I sat down and I read this survey. And you're reading this stuff.

00;30;48;27 - 00;30;49;22

HOST

Is it all anonymous?

00;30;49;26 - 00;30;51;02

GUEST

Yeah. But you can sort.

00;30;51;02 - 00;30;53;26

HOST

Of tell God, I tell you, you know, whether your peers have.

00;30;53;26 - 00;31;11;20

GUEST

Done it or your manager's written it or people externally or whatever. And so it goes through your strengths and mind, like, you know, some of my communication, my network, all those sort of things, you know, and then there's other bits that you suddenly think that's not me, that's not me. How could he write that?

00;31;11;24 - 00;31;12;15

HOST

How could I?

00;31;12;17 - 00;31;20;18

GUEST

And you go through and and actually some of the scores that Andy gave me were like twos and ones like.

00;31;20;20 - 00;31;23;11

HOST

Your ego suddenly got you just popped.

00;31;23;16 - 00;31;48;04

GUEST

But actually it was probably the most it was the best thing that happened in terms of my journey, that that could have happened. Because actually you go through the whole shock and realization, acceptance sort of cycle and actually working with your coach, you said, well, why don't you ask Andy why he scored you that way? Oh, okay. Rather than just few go and ask asking.

00;31;48;06 - 00;32;04;00

GUEST

And actually, Andy, can I have half an hour with you? And actually it turns out Andy is a low marker three to him. He's really good in his eyes. Right. So if I was going to tell you, it's like, actually there's room for improvement, but you don't know, you know. So actually once you get that context, I think things are better.

00;32;04;02 - 00;32;26;12

GUEST

Other things, when you start to read things from some of my younger team members at the time, it would be like I'd be so engrossed in a deal, someone would come up and, you know, some would be behind. It's like, yeah, and the the perception I was giving out was like, basically, what do you want? Tell me what I need to tell me what you need.

00;32;26;12 - 00;32;47;29

GUEST

You need to know. I'll tell you. And basically bugger off. That is how I was coming across something that's not me. I'm a team player on this. But what James taught me is that you don't have to tweak the dial much to really make a difference to how people perceive you. And so for me, it was quite we just worked on some.

00;32;47;29 - 00;33;05;19

GUEST

It's like, look, next time someone comes up, turn round, give him eye contact, say, look, is it? I am really busy now. Is this something that I can help you with instantly? Or could we find ten minutes later in the day, we'll sit down. We'll do it. Go and sit another table. Break away from a computer, things like that.

00;33;05;22 - 00;33;10;13

GUEST

Within six months, Andy came up to me and said, I think an amazing feedback about you.

00;33;10;16 - 00;33;13;03

HOST

I'll move you to a two and a half. Yeah, you.

00;33;13;06 - 00;33;36;29

GUEST

Should. Oh yeah. But but that and I tell people today that dial moving back is really look at what you're good at. You'll still be good at these. Ask people 2 or 3 things that you could do better. And you'll probably find if you ask enough people, those sort of things will come up and actually, if you can grasp those, then work on them a bit.

00;33;37;01 - 00;33;57;21

GUEST

You'll be so much better as a as a professional, as a person, as a leader, whatever that may be. So that that to me, at that moment really got me into my personal develop. I mean, I've still got a load of I buy a load of management books. I don't really get to open, though. Someone's told me they're really good or, or the business will be having a global leadership retreat.

00;33;57;21 - 00;34;18;14

GUEST

We'll read a synopsis of it and everything else, and it's really good stuff. But ultimately, a lot of this, you're trying to just take those bits that you've learned from other people that that you try to synthesize into being a, you know, a leader today. So it was 2019 that seen that ability for me to, I guess, you know, developed personally.

00:34;18;14 - 00:34;22;08

GUEST

And, and I was offered the region head role.

00:34;22;10 - 00:34;57;04

HOST

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

00:34;57;05 - 00:35;11;19

HOST

So if you haven't already, please follow or like on the platform you watch or listen to. Thanks so much. And so what were you taking on by moving to a regional regional head role? Yeah.

00:35;11;21 - 00:35;16;17

GUEST

But so that is basically like right where you're going to run the business. Full.

00:35;16;17 - 00:35;18;28

HOST

Panel responsibility for the UK. Yep.

00:35;19;01 - 00:35;43;00

GUEST

Yep. And for, you know, and all the people and everything else. So there's a huge cultural piece there as well, because you're setting the direction of the business. The we previously had myself running the South London in the south east. Robyn Woodbridge would be running the Midlands and North. The challenges Woody was going to have to step up to take on both, which was a bigger role for him.

00:35;43;00 - 00:36;07;20

GUEST

And, you know, with a team, a bigger team as well, that that has challenges I needed to focus on. You know, I think other things like our operations business, you know, we we collect 260, 280 million pounds of rent. You know, we've got to make sure we're still doing that. So, you know, trying to make sure that side of the businesses is working, making sure the development management team, producing.

00:36;07;20 - 00:36;15;23

GUEST

So all of those bits, you go from being siloed in your little development bubble.

00:36;15;26 - 00:36;22;16

HOST

To do deals really focused on, like the minutiae and working in it, trying to work on the business, actually have a helicopter view and it's.

00:36;22;16 - 00:36;38;26

GUEST

A that and the our business talks a lot about joining the dots. You know, one of my key roles is to try and join those dots between Prologis in the UK and other teams of Prologis and things that we do around the world, and how we bring all that, all that together.

00:36;38;29 - 00:36;46;22

HOST

So can you just paint a picture of what the UK portfolio is as it stands today and also the team and headcount and yeah, locations.

00:36:46;24 - 00:37:15;17

GUEST

So portfolio is it's around about 33,000,000ft<sup>2</sup>. There's a few other bits. We've got a couple of retail parks and, and we've got some life sciences as well. Now, on top of that, we've got a land bank that could deliver around 50,000,000ft<sup>2</sup>, but we're continually looking to refill that land bank. We we've got a strategic effectively a strategic.

00:37:15;19 - 00:37:43;25

GUEST

One side of our business is strategic land. One side is big box development, and another side really is around the urban last touch assets. And in London, the portfolio is about 6 billion of assets under management. And in sterling, 2.5% of UK GDP goes through our buildings, over a year. So that's a really good start in terms of how things, things, things shape.

00:37:43;27 - 00:37:53;19

GUEST

All our money is from the US, so we're a big foreign direct investor into the UK, and we've invested billions in the UK over years. And hopefully you know, more to come.

00:37:53;19 - 00:37:58;09

HOST

And that's from a development perspective, but also kind of your capital solutions and strategic.

00:37:58;12 - 00:38:17;17

GUEST

Yeah. The strategic capital business. So we we hold the majority of our assets in a couple of funds. One is a 5050 joint venture with Norges. The other is an open ended fund with a capella, with a basket of of investors and their two. The largest well is the largest fund in Europe by by a long way.

00:38:17;17 - 00:38:46;14

GUEST

And then you've got pelt which is I think about the fourth largest. I might be wrong but so our business on the ground, there's about 70 people in the UK, but we have a very much a matrix sort of org system. So not everybody has a direct line report to me anymore. So I get my direct line reports of capital deployment operations, things like call legal function in-house report to a European function for sort of corporate and ethics reasons.

00:38:46;17 - 00:38:47;17

GUEST

00:38:47;19 - 00:38:52;20

HOST

So I guess just for like synergy across cross country, so like process and things that all kind of standardized.

00:38:52;26 - 00:39:17;00

GUEST

Our development management business now reports globally because that's about getting best in class processes through the whole globe. Typically we do stuff in the UK and we might not well, we might not think it's applicable somewhere else. Or it could happen in Poland or wherever. And it's around bubbling those ideas up. That's why they're in that, that sort of, reporting line.



00:39:17;02 - 00:39:40;14

GUEST

And then there are other bits of our business now that have grown. We've got something called essential. So, we've got operating essentials, which is very much helping customers fit out their buildings so we can do racking, lighting, sprinklers. That is all coming in as a business line. So whilst they report into Europe, they're also working really closely with our leasing and capital deployment teams in the UK so that they're very intertwined.

00:39:40;14 - 00:40:03;04

GUEST

We've got an energy business as well with people locally and in Europe and in the US. There's also a mobility business that's coming out of Europe as well, which is around EV charging, and that's going to be, you know, is HGV charging in future and things like that. There's a real growth business there as well. So so all of these things sit in the UK, the strategic capital business.

00:40:03;04 - 00:40:25;11

GUEST

There's a chunk of them that are based in the office in Soho. They don't report to me. But again, I was in a meeting this morning helping them with an investor presentation. And that's sort of what we do. We, you know, that capital feeds our funds, which allow us to do what we do on the ground. So it's that sort of virtuous circle you'd be trying to work through all of that.

00:40:25;14 - 00:40:46;00

GUEST

So you meant about offices. So I've got three offices. Solihull is our biggest office. About 45, 50 people in their London 15 or so. And then we've got a small office in Kings Hill, which is in Kent, which came out of the Liberty Purchase we did back in 2020. Just before Covid. 2020.

00:40:46;00 - 00:40:46;11

HOST

I was 20.

00:40:46;11 - 00:40:52;10

GUEST

Two, 2020. And, they're very much managing Kings All Business Park and a couple of other things.

00:40:52;12 - 00:41:09;13

HOST

And for you, have you enjoyed the switch from being a developer to more more leadership, more oversight? Has that kind of piqued your curiosity and your ability to, like, learn new skills and, and broaden your horizons by kind of transitioning?

00:41:09;17 - 00:41:35;03

GUEST

Yeah, I, I've actually enjoyed it more than I thought I would. Again, it's that bit. You don't know what you don't know. James farrow, he came back in to help me again at the start as I transitioned a cross to the leadership role and he it was it was just little things, like and, like, just think, you know, how do you want to describe yourself as a leader?

00:41:35;03 - 00:41:59;09

GUEST

How do you want to be seen? How are you going to set out your store. And that's the bit for leader. It's that culture bit. What does what you know, what does me what did my value stand for and how do I get that culture working through this team and that yeah, there's a big piece of our culture around innovation,

continuous improvement, trying to do things better every time.

00;41;59;12 - 00;42;19;10

GUEST

And it's trying to keep that drive going because at times you can sort of failure smacking your head against the wall. I think that happens in a lot of organizations, but actually that that push really defines what how the UK business is in terms of the Prologis world and hopefully how we're seeing externally as well.

00;42;19;13 - 00;42;22;29

HOST

One of the things about your culture is kind of seeking forgiveness rather than permission.

00;42;23;00 - 00;42;49;10

GUEST

So that's not that's not carte blanche to do anything but but things like we've been really keen to test things out, whether that suddenly will make the yard that deeper or will will do something slightly different in terms of how we constructed a building or we putting a games area in or, looking at an outdoor gym or whatever that may, may be from a pot luck perspective.

00;42;49;10 - 00;43;11;29

GUEST

Or we'll buy a Victorian warehouse on the edge of the City of London and learn as much as we can about multistory and whether we could make it work and how that was going to be. And that was a I remember we went to investment committee and and we've got, we've got you build trust with investment committee over over many years.

00;43;12;02 - 00;43;43;05

GUEST

And generally our projects have worked well. And when things have gone wrong, we've always held our hands up and said, look, this is development. Stuff happens. Sometimes we can't control it. But generally, you know, we've we've got that that kudos. So when we went, I think when this was probably 20, 20 ish, with identify this building, we bought it for about 25 million and investment committee, one of the guys said, so this is a sort of 25 million pound experiment, is it?

00;43;43;08 - 00;44;05;28

GUEST

It's like, yep. It's like, well, make sure you, you know, you write down what you learn from it and report it back. And actually we sold it for another. We got away with it. We sold it for about 26 million because we realized just how hard it was going to be to, to do logistics via lists with very small yards, which that building had.

00;44;06;02 - 00;44;27;09

GUEST

And that building's going. I think half of it is going to be it's gone to self storage and half of it will be like trendy office, you know, warehouse, office type space. But, you know, in terms of what we learn and how we're applying that with what we learn from Japan in terms of our team out there in the multi level and what might happen in London, I mean, that is gold dust.

00;44;27;13 - 00;44;41;24

HOST

Yeah, I can imagine, you know, just giving you all the the largest global leader in logistics. There must be so much international sharing data information that is that is pushed around, for you to all kind of learn from. Right? Yeah. The, the.

00:44;41;24 - 00:45;01;28

GUEST

There is sometimes there's bit too much data, you know, where a lot there is a lot of data. We are they you know, that journey to becoming more data centric as an organization. And when you've got the scale one point 2,000,000,000ft<sup>2</sup>, you have a site on the market, on goods flows, on supply chains, on what customers are doing.

00:45;02;00 - 00:45;02;22

HOST

Ahead you what.

00:45;02;22 - 00:45;35;08

GUEST

Else is it's way ahead. And that is the bit that we're capitalizing on with these other business lines and what have you. And data is absolutely fundamental to that in terms of how we collect it, what we do with it, and how we, how we we do that. I mean, I am I'm not going to say I'm a Luddite, but I is I've just been opened up to I recently we've got a problem just related AI system, and it absolutely blows your mind how that is going to revolutionize the way that we work.

00:45;35;11 - 00:45;42;15

HOST

And the beauty is you've got the size and scale to be able to fully realize the returns if you set it up correctly in the first place.

00:45;42;17 - 00:46;10;16

GUEST

Yeah. And and okay, it's funny that that we talked about that do it and apologize later sort of attitude. Your mindset and the business would like more people to do that in the business. But I think in corporates people can get that fear. Or what if it goes wrong where actually when things go wrong and as long as it's managed, you know, in terms of the scale, that's when you learn that is the time we learn.

00:46;10;18 - 00:46;32;18

GUEST

Yes, we do learn to and we have the every project that we do. And this is very much thanks to Woody and his mindset around that process improvement and how we do things better is, is to review every project. Generally, though, you're reviewing successful projects because they've leased up and we've made some money and and it's gone in the fund and, you know, customers happy.

00:46;32;18 - 00:46;42;25

GUEST

We're happy. But it's the learning you get when things don't go right that is absolutely key. And that's what you'll you'll be a better business on the back of.

00:46;42;27 - 00:46;48;07

HOST

Talk to me about, data centers and also the foray into life science as well.

00:46;48;09 - 00:47;17;15

GUEST

So the Prologis as a business fundamentally is logistics, global logistics, everything you see. But our business has a very entrepreneurial heart. So data centers at the start, I, we didn't I mean, I thought I was really, really good when I left a building and, at Heathrow or near Heathrow for like a pound a foot more than what the rent was, because it was a data center.

00:47;17;18 - 00:47;20;25

GUEST

That was eight years ago. And what we know now to.

00:47:20;25 - 00:47:22;09

HOST

What we left five money.

00:47:22;09 - 00:47:42;13

GUEST

On the table. But that's why they were data center experts, you know. But but you seen it. You seen it with Guiseley or JLP. Sorry, Goodman. Prologis with people. I've learned we've gone out and got that that sort of knowledge. And what we have is this massive portfolio and coincidentally quite a lot of it is there's quite a bit around Washington and Dulles and that's a huge data center cluster.

00:47:42;13 - 00:48:00;06

GUEST

We've got a good bit around Heathrow. That's a good data center cluster, skipper. We've got lots of buildings around Schiphol, in Frankfurt and and on and on. So it's around these, you know, higher and better value uses. And how do you how do you get that? Now the key for the data centers fiber is one thing but power is the other.

00:48:00;08 - 00:48:25;20

GUEST

And that is the biggest challenge, certainly in West London, that we face today. So that business is opportunistic to a point, but it's one that is going to grow more and more as we see the growth of AI and everything that comes about. That doesn't have to be in West London. It can be further away. I think our business will grow in that level, but it's going to be, you know, we've got a great footprint to work from.

00:48:25;26 - 00:48:38;05

HOST

And it's about what repurposing, repurposing existing sheds that are in those perfect locations with power or connectivity to take advantage of it in five, five, six, seven, eight, nine, ten year returns, rather than keep it as a and.

00:48:38;06 - 00:48:48;26

GUEST

You know, or scrap it and you've got a site to to start again because the values there are, as you say, you know, they are exponential in terms of working, but the capital that needs to go into some of that is also.

00:48:48;29 - 00:48:49;13

HOST

Huge.

00:48:49;13 - 00:49:12;04

GUEST

Huge. And you know, the working with those global, hyperscalers is a, you know, we're doing a big complex for one of them, I think, in in Texas at the moment. And we these things are happening within our, our business globally so that the data a bit it will continue to evolve within pro logic because of the footprint that we've got.

00:49:12;04 - 00:49:32;18

GUEST

And the access to power hopefully will allow that. I mean, we've got two buildings that we built speculatively in West London, the we've got some power now through the secondary market, but we're waiting for the confirmation on dates of this power station to the west of London, and they will be too

ready to plug in data centers, ready to go.

00;49;32;18 - 00;49;41;25

GUEST

And we've got another eight in the portfolio already, but some of which are these dark shells, some of which are on slightly better terms because we learn a lot more as we got closer to that.

00;49;41;27 - 00;49;46;12

HOST

And life sciences had a similar, similar, I'd say the right location. Yeah.

00;49;46;12 - 00;50;13;16

GUEST

Well, this is very much the entrepreneurial pace and that higher and better value uses so, so in in southern parts California. Like the South Bay area of San Francisco, we have had similar little warehouse buildings where other licensed developers have come along, either bought land offers or taken a ground lease, and they built big sciences for for us in the UK it was slightly different.

00;50;13;19 - 00;50;43;12

GUEST

And when we bought Liberty, back in 2020, we there were 4 or 5 acres of land at Cambridge Biomedical Campus and they were held under option. We didn't really have much value attributed to them in the, in the purchase thing because we didn't really understand it. And I suddenly start getting phone calls from, you know, big, players in the market saying, would you sell or would you come out of that?

00;50;43;12 - 00;50;46;12

GUEST

I don't think there's got to be something here. So, Andrew.

00;50;46;13 - 00;50;48;24

HOST

Your agent is still is it? Yeah.

00;50;48;28 - 00;51;14;25

GUEST

So so Andrew, Andrew Blevins plus he was the he ran the Liberty UK businesses that he's been working on that Cambridge Biomedical campus since 2003. And man would mean would he went there and he's given us a tour and it's like, well, there's Papworth Hospital leading Hardman Hospital, there's Addenbrooke's, there's the University teaching Hospital. Oh, there's AstraZeneca, new global headquarters.

00;51;15;00 - 00;51;45;03

GUEST

Oh, there's the Medical Research Council where there's loads of Nobel Prize winners in there. There's something about this. So we went we went to the business, said, look, let's buy out. We bought out countryside. Who were the long term partner who wanted out. We had to re tweak our options so we could build some spec. And we built off a speculative building 100,000ft<sup>2</sup>, finished it last September, had it fully lit by October November.

00;51;45;06 - 00;51;49;00

HOST

And the.

00;51;49;03 - 00;52;11;06

GUEST

Intention we can probably do about half a billion of investment there just in terms that there's another couple we're in for planning buildings, we're in for planning for at the moment. There's, I think, opportunities to bring our strategic land head together with the life science piece, but also look at how that overlap between somewhere like Cambridge is pure discovery.

00:52:11;10 - 00:52:19;01

GUEST

It's where the the boffins are, you know, the really bright people are there making things, inventing things and what have you.

00:52:19;04 - 00:52:39;09

GUEST

Probably not too far away. There's an opportunity for an ecosystem where you could have manufacturing, you know, you see where Stevenage is, for example, and you've got an opportunity, I think, for that life science to sort of merge into the AI medicine sheds, I think there's an opportunity there. So, so getting into the sector gives us that opportunity.

00:52:39;09 - 00:52:58;23

GUEST

But also it's yeah, it's a great way to grow our business. We're learning a lot. Are we going to grow this in, in the UK and, and look at how we can, can really go with that. Yeah. We, we we're definitely we've got a plan. We got the best location in the country.

00:52:58;24 - 00:53:14;27

HOST

In an entrepreneurial view and highest and best use for a particular, asset in location with the right use class and, and demand to, to be able to, make it stack up. How do you just see the the largest industrial logistics market generally at the moment.

00:53:15;02 - 00:53:42;13

GUEST

So it's tough or it's I think the capital markets of of that I mean they've been stable for three quarters in terms of valuations and so on. So capital market, there isn't a huge amount of supply and the investors there's capital there to buy to buy assets. So and it's quite deep in terms of a buyer list that for for decent product the occupier market is tougher than it's been for quite some time.

00:53:42;15 - 00:53:58;15

GUEST

But then we had a it was bizarre during Covid. I mean I in the 30 years I've been involved in in industrial and logistics, rarely did you have two occupiers fighting over one building. We'd have 3 or 4. And it was like, who are we going to let down.

00:53:58;17 - 00:53:59;10

HOST

You know, and customers.

00:53:59;10 - 00:54:20;03

GUEST

And everybody getting in the class thinking, oh, this is really easy. All these buildings pre-lit. Well, actually the reason you build void periods into development appraisals is because they don't all prefab. And I think we're just at the moment there's a bit of that period post-Covid where a lot of the the three pals a look at have looked at their supply chains.

00:54:20;09 - 00:54:43;14

GUEST

You saw Amazon out of the market. Now they're rumored to be back in but they're doing they're doing stuff. I think that general e-commerce growth I mean we hit something like 36% of all shopping was online during Covid. It dropped back straight back to about 28%. But that is still massively higher than it was in 2019. And that path is still, you know, is still going to go.

00:54:43;15 - 00:55:10;22

GUEST

So I think that e-commerce peaks will continue to drive the market. Supply chains have always, you know, revamped themselves, optimize themselves. And so and I think that that you've got buildings that are some pretty old buildings. Now when you look at ESG standards and everything else where things are going, that's going to be another another driver. Some people need more power and what have you for their buildings.

00:55:10;28 - 00:55:34;04

GUEST

And that's going to be another dial mover as well. So I think the the sector set pretty fair on the, on the, on the big box. I it's just at the moment we're in a bit of an icky point where the vacancies ticked up, but it's nothing like that, you know, for us, nothing like that. 5,000,000ft<sup>2</sup> we had in in 2009.

00:55:34;06 - 00:55:49;25

GUEST

The second, second, building for us seemed to be moving a bit quicker. And I think that's because a lot of the CapEx is already in those buildings for occupiers. So they might be racking in their lighting, sprinklers, you know, they're all ready to go in. Whereas if you take a new building, you've still got quite a lot of it out to do as well.

00:55:49;26 - 00:56:15;17

GUEST

But that that's something we're we're seeing that on the urban side again. You know, we rents have got high in London. Undoubtedly. But the fact is the capital is still growing. In terms of the size of population, yes. Labor might let a little bit of green gray belt, you know, go, but residential will be far away there.

00:56:15;17 - 00:56:32;29

GUEST

But, you know, we always say if you want to build 300,000 new homes a year, that's 300,000 letterboxes. You really need to be thinking about where you position your logistics so that that can be at the most efficient. When you're in somewhere like London or you not, you know, in a congested city, you have to be close to chimney pots, you have to be close to those populations.

00:56:33;05 - 00:56:59;25

GUEST

So for me, that that urban logistics piece is still set pretty well. I think there's how that translates into other cities where you could have big boxes not that far away from from the main population might be a different story. I don't know, I mean, we are only in London when it comes to the multilaterally, so I don't have that feel for the other locations, but I feel long term.

00:56:59;25 - 00:57:13;12

GUEST

Again, that's got to be good. And also with London, it's the higher and better value uses. Maybe not a data center, but it could be ritzy, it could be multi-level, you know, in a few years time, if you've got the right shape site, right size of site and everything else.

00:57:13;15 - 00:57:18;14

HOST

What are some of the challenges that you're, you're faced with?

00;57;18;17 - 00;57;45;02

GUEST

So I think for the sector, I think the biggest challenge we've got is the perception of logistics as being poor jobs, ugly boxes, nothing going on in their contract. Yeah. And all of this and you know, it. It's I think the industry. Yeah. During Covid, the sector really became I'm going to say we were like the fourth emergency service.

00;57;45;02 - 00;58;12;05

GUEST

You know, without those buildings, people wouldn't have got their food. People wouldn't have got got their stuff. Yeah. I remember speaking to some like Sainsbury's at the time and they were saying it's like Christmas every day, you know, I oh, that must be great. No, no. It's absolutely shocking. Yeah. We are having to manage crisis manager. So so logistics had its moment in the sun suddenly and then it's all forgotten as we as we get back to as we get back to normal life post-Covid.

00;58;12;07 - 00;58;41;28

GUEST

And when you look at the sector and what it can offer the country in terms of jobs and skills, we've got something a, Daventry, a rail freight terminal that they've called that we call it the hub. But the it's home to the Prologis, logistics and warehouse training program. And we are taking people who've never worked before or from other sectors and putting them through training so they can get into into the sector.

00;58;42;00 - 00;59;03;00

GUEST

That is. And that's not something we have to do. We're doing it because it's the right thing to do. It helps our customers. It generates amazing social value and it's yeah, when you see the some of the people who are getting through and having the opportunity to work is it's great that the skills bit is massive and I know the like the new government is very much around skills.

00;59;03;02 - 00;59;37;13

GUEST

The other piece is around energy. So you could be thinking around, you know, Aqua, the UK Warehouse Association and talk about the opportunity to have 15GW of, of, of solar across the roofs of every warehouse in the UK. You know, that's massive in terms of being able to help power the UK. But our energy network is old. We don't have very good feed in tariffs and we can power a warehouse, an ambient warehouse, probably about 25% of the roof covered.

00;59;37;13 - 00;59;55;15

GUEST

But you've got 75% that you're not using. I mean, it's an absolute. And for, you know, we need to find a way to address that. And that I think can help move the perception of, of of the sector as well. And then there's that whole piece around economic growth. You know, 7% of the UK's population is in logistics.

00;59;55;17 - 01;00;20;13

GUEST

I think it's 232 billion of GVA to the UK comes through the sector. So it is this massive sort of hidden sector that that when it puts its head above the parapet in Covid was like amazing. And then you've got the other side of it that's like, well yeah the jobs are crap and this and that. But actually, yeah, it's one of the few sectors where you can start work on the shop floor and you can be CEO.

01;00;20;15 - 01;00;41;25

GUEST

Yeah. The number of women in the sector is, is, is growing and, and you know, really important the amount of people who've never had a degree who've gone through that sector as well. It's a real sort of



hidden gem that should not be hidden. It's critical infrastructure. We need it out there. And and so for me that is a big challenge.

01;00;41;25 - 01;01;13;25

GUEST

So I sit on a BPF, logistics board where logistics property board, where David Leith, from, from C grow. Bruce Topley is on there from JLP, a, Charlie Howard from logic. Logical. Colin he's on from tri tax and others. So there's, Andrew Dickman as well. And there's some customers on there. We've got Amazon represented and another so but it's trying to as a as an industry, we're very used to doing our own little projects.

01;01;13;25 - 01;01;31;26

GUEST

Yeah. And being very happy you know I'm all right Jack. But there's a point. The sector has to come together and have a voice because that's the way government will listen. If you've got a united voice. So that's something I'm passionate about. And the, the, the something we need to do more of in the sector as well. We need to champion what it does.

01;01;31;28 - 01;01;37;14

HOST

You talked on dearth. Yeah. Which is got rail freight through it.

01;01;37;14 - 01;01;38;03

GUEST

Yeah.

01;01;38;05 - 01;02;12;09

HOST

And I think there's a big driver at the moment, taking 60 million lorries off the roads by, by using rail freight, something you did a couple of years ago. Is you got Francis Bourgeois round one of your, properties. Does that just talk to the kind of the innovation and entrepreneurial spirit you touched on, kind of bringing in, an influencer, as it were, to kind of highlight and and talk about your buildings, or is it more about kind of trying to level up building launches, that have typically had, you know, whether it's celebrities or driving range or helicopters or food trucks turn up to kind of get leasing agency.

01;02;12;09 - 01;02;35;29

GUEST

Yeah. So all right, do you want to come back to the launches? But I think with from Francois, it was absolutely it was something that Frankie Hawken I had a marketing had this brainwave. She'd seen him doing his YouTube stuff and everything else. And honestly, when it was mentioned to me and Woody were like, really? I mean, this is one of those things that corporately they say, this is the do it, apologize.

01;02;35;29 - 01;02;40;06

GUEST

Later it was saying, right, okay. It saw that the.

01;02;40;06 - 01;02;41;13

HOST

Key one of two ways.

01;02;41;13 - 01;03;03;07

GUEST

Yeah, the key to it was trying to get the sector perceived in a different way by younger people. And he's got millions of followers and everything else. And, and so we yeah, we, we did a number of I think 2 or 3 with him. He was most pleased when we got his, his favorite loco at

01;03;03;09 - 01;03;04;25

HOST

466, I can't.

01;03;04;25 - 01;03;20;23

GUEST

Remember it was in fact, but but he managed to ride it. I forgot what the name of it was, but he managed to ride it like a but. But in terms of what that did for us, the sector, it's a bit of fun. But also there's a serious side to that, which is actually how important rail can be to logistics.

01;03;20;23 - 01;03;38;27

GUEST

One train takes 6070 HGVs off the road, you know, so there's a massive opportunity for rail to be part of an integrated, supply chain and everything else. And that's why. But he was just somebody. Yeah. So that was one of those give it a go. See see if it works. So that was.

01;03;38;29 - 01;03;39;19

HOST

A bit of fun a.

01;03;39;19 - 01;03;58;00

GUEST

Bit of fun, but also serious in why we were trying to do it and what it was meant to make mean for, for the sector and so on. One of our colleagues, Phil Oakley, was on the scooter where they were walking with him round the building, and Phil got some really funny, comments on the Instagram actually, around this.

01;03;58;00 - 01;03;59;06

GUEST

Yeah, I know, I'll come.

01;03;59;09 - 01;04;00;06

HOST

Back and check them out.

01;04;00;06 - 01;04;06;00

GUEST

Yeah, yeah, yeah check check check those out. But but yeah. And then launches

01;04;06;02 - 01;04;13;06

HOST

Because there is you know, you bring helicopters or people bring helicopters weeks, you know, draw golf simulators.

01;04;13;13 - 01;04;22;24

GUEST

We've tried to move away from that. I and I take I as an agent, I used to have to go at buildings to see buildings.

01;04;22;24 - 01;04;24;10

HOST

Before you then. And you put.

01;04;24;10 - 01;04;36;16

GUEST

Into the client. So you're leasing. Yeah. Yeah. It was part of what you did. You got to know the market and everything. So I think it should be part of your job that you go, it's nice if you get a I mean I got a CD once or something like, oh, you might have got a rugby shirt or something like the.

01;04;36;16 - 01;04;38;03

HOST

£25 John Lewis voucher.

01;04;38;03 - 01;05;02;12

GUEST

I think it's gone that in certain places may have gone a bit too far, but as as big corporates, well we can only do so much, so much on gifting and stuff. That's right. And appropriate and, and whatever. But I mean, it all launches I think have changed a bit from I, I, I do find it quite oh I look on LinkedIn and it's like wow I had a fantastic launch today.

01;05;02;12 - 01;05;18;13

GUEST

Someone's, someone's posted and there's like three people outside a coffee van. It's like it's all a bit formulaic. Can we do things differently. So we did something different, a dearth last year where we had some beat a beat box, and it's all about the beat of logistics and stuff. I thought that worked pretty well. So we try to do some things that were a little bit different.

01;05;18;15 - 01;05;34;19

GUEST

The days of, I mean, the we launched a scheme in Dunstable in 2007, and we had a like a Curry Olympics. We turned this building into a into like an Indian restaurant and, had various activities in nowadays we that stuff.

01;05;34;24 - 01;05;35;24

HOST

No, it doesn't wash.

01;05;35;26 - 01;05;57;08

GUEST

No, but I want people to come to buildings because they need to know what those buildings day what what's also really key is. Yeah, developers today are putting so much more into their buildings. And agents need to know that what they, those buildings potentially can do for their customer. Verses, what another building might not have and I yeah for me that's part of the job.

01;05;57;08 - 01;06;09;14

GUEST

So launches are great. But it really for me get the people around the building and make sure they're able to compare apples with apples. Is is is the.

01;06;09;14 - 01;06;24;25

HOST

Key and sell the building appropriately. We'll look as we as we draw this to a close. West, here's a question that I ask everyone who comes on the podcast is if I gave you 500 million pounds worth of capital, who are the people? What property and which place would you look to deploy that capital?

01;06;24;27 - 01;06;28;10

GUEST

So I know I can't say I'll just put it in trilogy shares because.

01;06;28;12 - 01;06;29;20

HOST

That's that kind of goes.

01;06;29;21 - 01;06;47;09

GUEST

Again. I think it goes against it. So, I oh, this is one of those that you think about and you, thank God. Am I going to sound really stupid or can I make it sound sound like I know what I'm talking about? So. So a couple of things so that have been so prevalent. This is like a university.

01;06;47;11 - 01;06;59;00

GUEST

We joke about the Prologis university. People leave our business and go on to do great things. So there are a number of people I know who I've worked with over the years. They've had a bit of money. I'd probably say, here you go, guys.

01;06;59;02 - 01;07;02;24

HOST

Come and work with me. Well, I you probably named about 67, I think quite a few people.

01;07;02;25 - 01;07;24;29

GUEST

Well, it's a network, isn't it? But, I, you know, so, so this there's a couple of guys, who I'll. I'll say I'll leave by Crofton and, James Wright, who who worked for me a while ago, got their own little business going. And they're starting. Yeah. That they're doing well of the getting themselves going. So they they know their numbers.

01;07;24;29 - 01;07;47;05

GUEST

They know their stuff. I really like the life science bit in Cambridge. If I could go and drop somebody and just say right up, but in the right place, not every building is going to be a life science building. It's just not, it's not like the answer to every problem an office might have if it's not letting or it's vacant today.

01;07;47;07 - 01;08;13;21

GUEST

But I'd love to have a I'd love to be able to do something like that. And really something that can generate some sort of discovery that you think, wow, that was pretty, pretty cool. That's just not necessarily solve cancer, but it's been able to solve solve something in that way. And then I've probably put a bit into the covered land around London, you know, if you could buy I mean, we've bought a couple of retail parks that we think could be really good for multistory or whatever that might be in due course.

01;08;13;23 - 01;08;28;10

GUEST

But getting into something that pays you an income while you're working out what you do with it is pretty good business. It's better than sitting on empty land that's burning its head off. So there's a few sort of ideas there that that I could probably spend 500 million on.

01;08;28;13 - 01;08;51;09

HOST

Well, Paul, you've had a phenomenal career. Ever since you've kind of moved out of those three rotations that you had thinking, what is this world of real estate? You've kind of found your own nation and and excelled right from the bottom, all the way up to the top. And, I'm really excited to see, as we kind of, we start this new cycle where you in the Prologis team take the business and the deals, you come down.

01;08;51;11 - 01;08;57;28

GUEST

That's great. Yeah. Look, I really enjoyed it. Thanks for your time. And. Yeah, thanks for asking some great questions as well.

01;08;58;00 - 01;09;20;16

HOST

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01;09;20;18 - 01;09;47;23

HOST

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01;09;47;25 - 01;09;55;19

HOST

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