

00;00;03;29 - 00;00;25;19

HOST

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

00;00;25;21 - 00;00;52;14

HOST

Welcome to another episode of the People Property Place podcast, where we speak to the movers and shakers, innovators and leaders in the real estate investment management space. Today, we have the privilege of speaking with Ed Clough, Managing Director at Octopus Real Estate, a specialist investor, developer and lender with a keen focus on the living and healthcare sectors under his leadership.

00;00;52;15 - 00;01;22;11

HOST

Octopus Real Estate oversees a staggering 3.7 billion pounds worth of assets for both institutional and retail clients. Ed joined octopus in 2017 and previously led the care homes and corporate development teams. Prior to joining octopus, he was a lawyer with international law firm Allen and Overy, and he holds a B.A. in economics from Durham University and an MBA from the University of Cambridge.

00;01;22;16 - 00;01;46;29

HOST

Judge business school. So, without further ado, let's dive in and hear from the man himself. Ed, welcome to the podcast. Thank you for having me. Not at all. Well, thank you so much for squeezing me in to your very busy schedule, cause I know that you've got a big move coming up. And actually, by the time this goes out, you'll probably be in in Spain, but a little bit more on on that later in our conversation.

00;01;47;01 - 00;01;55;26

HOST

But before we get there, can you rewind the clock and just and tell me a little bit about chapter one University? You because you did law at Durham. Right.

00;01;56;00 - 00;01;57;02

GUEST

Economic standard law.

00;01;57;02 - 00;02;02;21

HOST

Office. Nice. Yeah. Fun. So what was the mind? What was the mindset and the approach and was property on the scene when you're choosing?

00;02;02;23 - 00;02;20;03

GUEST

Not at all. So, sort of enjoyed economics at school, had a look around stuff, didn't really sciency A-levels, so nearly went down that route and just decided that I'll have a go at economics, see how that works out. Really enjoyed the course. And then sort of I think at that age, young looking for the next thing.

00;02;20;05 - 00;02;27;13

GUEST

The law firms came recruiting and jumped onto that sort of of, law conversion and then into, into a law firm. Yeah.

00;02;27;16 - 00;02;35;01

HOST

So kind of growing up, what kind of kid were you particularly academically? Particularly studious. Yeah.

Worked pretty hard.

00;02;35;04 - 00;02;51;02

GUEST

But had plenty of fun as well, I think, like, loads of sport. I've got a younger brother as well. Spent most of the summers and winters playing, playing sport. We lived out in the sticks, so there wasn't a lot else. My wife still jokes around. She grew up in London. So what did we do all day? What do we do the weekends?

00;02;51;02 - 00;02;56;11

GUEST

What it do in the summer? But for us, yeah, loads of sport being outside. But yeah, work pretty hard as well.

00;02;56;14 - 00;03;02;16

HOST

And so your parents in real estate, did you have kind of real estate as a, as an industry front and center.

00;03;02;20 - 00;03;19;12

GUEST

I suppose yeah. My, my dad is in real estate, but I suppose sort of parents that didn't push me down any really. Or my brother sort of. We just did what we wanted to do. So I hadn't really considered it as sort of where I'd go, where I'd end up at all. Just went out and found my own way, I suppose.

00;03;19;13 - 00;03;21;19

HOST

And which part of the real estate space was he in?

00;03;21;21 - 00;03;26;18

GUEST

So he was doing retail and leisure, as an agent. So, yeah, I spent a long time doing that.

00;03;26;19 - 00;03;33;24

HOST

Different from what you're doing now. So you kind of joined, was there Allen and Overy is your first job?

00;03;33;25 - 00;03;54;07

GUEST

Yeah. So did a couple of years law conversion, then, start on that training scheme. And I really, really great training, great people, awesome firm. Like lots of hard work with lots of really, really interesting work. Spent about a year of my training doing derivative, structured finance, that kind of thing with financial crisis just coming out of the back of that as well.

00;03;54;07 - 00;04;11;17

GUEST

Spent a bit of time in New York after that. They saw what happens when markets go wrong. I think one of my first jobs was sort of serving default notices on Icelandic banks and hundreds and thousands of these things just sort of coming through. So you get a good sort of feel for the financial markets there, ended up being a litigator.

00;04;11;17 - 00;04;37;00

GUEST

I figured if I was going to be a lawyer, I wanted to do the law also quite like being in court. So for me, that's sort of where I started and saw quite a few sectors. So looking across things like infrastructure, mining, private equity, banking and plenty of real estate stuff as well. So you sort of see, see things when

things go wrong, see shareholder disputes like recovering, lines that have gone wrong, deals that haven't worked.

00;04;37;07 - 00;04;48;29

GUEST

So you see all of that stuff and learn quite quickly those bits of sectors that are translatable. And you see that pattern recognition and then quickly trying to learn what the uniqueness of various sectors is as well.

00;04;49;01 - 00;05;10;01

HOST

So you were there for just shy of eight years or so. Yeah. You worked. What was your mindset after a couple of years, you guess you got qualified, right? And then in litigation, working across lots of different sectors, did you kind of look up at the parapet and think, what do I want to do longer term? Or is it a case of you understand this great organization heads down, just run it the work that's in front of you and enjoying it?

00;05;10;02 - 00;05;24;10

GUEST

I think to start with his head down and work hard as you do. And I think people probably know you do at firms like that as well. You put a lot of hours in, so it is just get stuck in, see how much progress you can make, learn quickly. And then I think slowly and, probably a bit slower.

00;05;24;10 - 00;05;49;22

GUEST

Developer in that sense is starting to realize sort of what makes you tick as a person. And I think for me is always that it I had to go go towards this sort of business or sort of investment side of it. General management, whatever you want to call it is, rather than just doing the legal side of stuff, is see the whole gamut of a deal, like what are all these different aspects as well, and sort of increasingly found myself just being interested in, wanting to see the other side.

00;05;49;22 - 00;05;56;25

GUEST

But like, I love my time and I and a huge amount of experience and learned a lot really, really quickly, as you tend to do when you put in quite a few hours in.

00;05;57;01 - 00;06;08;17

HOST

So it was a case of wanting to kind of move and take a little bit more ownership in terms of decision making and then transparency over a whole process from from start to finish, rather than just dropping in and out on various different transaction.

00;06;08;17 - 00;06;28;27

GUEST

Exactly issues. And I think it is and probably deep down, and this is probably the bit you find out about yourself, is I'm probably deep down a little bit more of a generalist and and thrive off that sort of newness of stuff coming in and having a look at things as well, and wanting to try and balance all those different aspects to a deal, a business, something else like that as well.

00;06;29;01 - 00;06;36;23

GUEST

And also you start to, to help build businesses as well, which is a hugely exciting thing. It's hard, but it is really exciting thing today.

00;06;36;28 - 00;06;56;17

HOST

So it was it was it was a challenging time, just given age and stage. After kind of nearly eight years working in the legal space, built up a good reputation, client book exposure and no, no doubt kind of remuneration and expectation to then transition into the real estate space. And how did you, choose real estate as an industry to that you wanted to move into?

00;06;56;18 - 00;06;57;04

HOST

Yeah.

00;06;57;06 - 00;07;13;07

GUEST

It's always that classic time sort of interesting timing. Just got married, had our first child on the way. And I think for me get to that point where you think, if I'm not going to do this now, what am I going to do it? So you've got to just take a bit of a punt. So took a sort of effectively took it as a career right from I who were great all the way through.

00;07;13;07 - 00;07;41;08

GUEST

And they said, look, if you come back will pay fees, if you don't, you're on your own tab and, and so went off and did an MBA for a year partly I think, just to reset and get that distance as well, because I think going into that, that legal space actually get picked up quite early second year of uni and is through that through the third year of uni, couple of years of law school, I think it was probably seven years and I when I stepped out and so probably hadn't had a good look around for nearly a decade at that point.

00;07;41;08 - 00;08;08;13

GUEST

And so part of it was saying, what else is out there? Part of it, I think a little bit, was just giving people enough certainty that, look, this guy can do the numbers. And I did economics as a first degree, as a as I said, but I was confident I could do them. But I think sometimes you just got to refresh and really show people that you can do it and also then meet a few new people, maybe get some more experience as well and say for us, sort of all of that sort of moving up.

00;08;08;16 - 00;08;12;24

GUEST

My first child arrived halfway through that year, so it wasn't exactly a sort of chilled year.

00;08;12;26 - 00;08;14;03

HOST

Did you move house as well?

00;08;14;05 - 00;08;17;26

GUEST

Yeah, me to the whole works out. Yeah. Just did the whole thing. Moved out of London.

00;08;17;27 - 00;08;18;29

HOST

Got married, changed.

00;08;18;29 - 00;08;23;07

GUEST

Everything. So if you're buying early 30s, off you go.

00;08;23;10 - 00;08;38;25

HOST

And and where did kind of real estate factor in to that process I guess. Take a step back. Yeah. Look

above the parapet, talk to some friends, contacts and other people outside of the industry to get a bit of perspective. Yeah. What's it give yourself the confidence that you've got the numbers and, probably a bit of self-awareness in terms of what your skillset is as well.

00;08;38;25 - 00;08;42;08

HOST

Where did real estate factor in that kind of conversations with your old man or not?

00;08;42;14 - 00;08;59;01

GUEST

Not really, I suppose. Sort of speaking to speaking to people. Yeah, a little bit around that. And then for me, it was actually one of those things with not massive design. For me, it was sort of like, where is going to be the right opportunity. And during that year I did a bit of work placement with octopus at that time, and we sort of went and did 4 or 5 weeks work.

00;08;59;01 - 00;09;10;20

GUEST

And they said at the end of that, look, do you want to come back and you get to that point of the year? It was probably either nine, two thirds, three quarters of the way through the year. And you're like, right, I've got to decide now, am I going to step off? I'm going to go back to day.

00;09;10;20 - 00;09;29;02

GUEST

I know, and octopus, a great sort of growing business values based organization and for me, sort of willing to take a punt on me, which I think you've got to be realistic when you move across at other level, when you're not in your early 20s or mid 20s is right. Am I going to take a step back or how far?

00;09;29;02 - 00;09;39;28

GUEST

At the same level can I get across in an octopus are great. They sort of offered me something that felt broadly that always moving across at a level. And so I just dived in and went for it.

00;09;39;29 - 00;09;41;20

HOST

And that was in the real estate team.

00;09;41;22 - 00;10;00;27

GUEST

Yeah, it was in the real estate team. We were actually called Octopus Healthcare then. So at that point we ran our lending business separately from our sort of healthcare and investment business. So we used to do a lot of healthcare investment. The team I joined actually was running a medical centers REIT called medic's REIT. So it's about 800 million investing in sort of GP surgeries, trying to work with the NHS.

00;10;01;04 - 00;10;23;03

GUEST

So I spent the first of the year, 18 months up and down the country Trinity those deals. So both investment deals. But we also have a development business in-house. But we were doing off the balance sheet as well. So real change quite quickly. But also the rest of octopus. At that time healthcare was doing quite a lot of private equity style investing partnerships, investing into healthcare care related businesses as well.

00;10;23;03 - 00;10;35;28

GUEST

So it was blending that what people now calls a highly operational real estate. And doing that both from a development, a little bit of operation and then some investment stuff for the sort of longer term funds like

the, like the REIT that we managed.

00;10;36;01 - 00;10;47;00

HOST

And so did you feel your experience in the grounding you had an Allen and Overy kind of being able to jump in and out of different projects at different stages, translated and enabled you to, to excel in that environment. Yeah, I think.

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

GUEST

It's helpful is just like you used to get on top of a pattern quite quickly so you get stuck in. I think the other thing is, is as well as you used to sort of dealing with the public markets and public companies as well. And the first one the owner manages or help manage is a is a REIT.

00;11;01;01 - 00;11;17;00

GUEST

And so there's a public element to that as well. So that was really helpful. And I'm now a long way past it. But you're still a quasi lawyer at that point as well. And so you tend to find that the legal problem we start finding you. We have in-house always a first. We don't have loads of them. We're not really heavily legal aid.

00;11;17;00 - 00;11;26;09

GUEST

And so you sort of play that sort of role somewhere in the middle and just adapt, be reactive. It's you're in a growing team and you just muck in and do what's in front of you.

00;11;26;11 - 00;11;40;05

HOST

So if you just take a step back, you kind of touched on already. Can you just paint a picture of what octopus was then? Because the energy business is probably what it's known for, people who maybe not in real estate listening to this, that's probably the kind of the main thing they think of when they think about octopus.

00;11;40;05 - 00;11;44;22

HOST

Yeah, but can you just talk about the different strands and then the platform and the business? Sure. That you joined to.

00;11;44;23 - 00;12;05;04

GUEST

So octopus is coming up to his 25th birthday next year and it started life and still is an investment manager. And it started life running retail money as well. So, three guys in their 20s left a bigger asset manager. And I, with that mindset, just went out and set up. We're going to set up our own investment management business and did.

00;12;05;04 - 00;12;25;10

GUEST

And I've made a huge success of it. So at that time and it's still in the business today, it's just that ethos running through the business of we're part an investment manager and fund manager, and we're part a startup. And I'm I think that mindset persists today is like, let's have a go and he stuff. Let's not afraid to do things a bit differently.

00;12;25;14 - 00;12;47;17

GUEST

But we've got to have all of these really cool, fundamental skills that you need to be a good investment

manager as well. So when I joined health care and our real estate lending business was separate and we pushed those businesses together in about, 2019. So I think it was first quarter of 2019. So that business now has been together, five coming for six years now.

00;12;47;19 - 00;13;05;29

GUEST

And we just felt we looked at the business as a whole and thought, we're dealing with this. Real estate was keeping it separately. We're probably not making the best use of all of that cross-fertilization networks of origination and just skill set. And it's the good times, the origination. But in the the times when things go wrong as well is it's team.

00;13;05;29 - 00;13;25;11

GUEST

It's get the networking, share the problem, do it all together. And so I think bringing these two businesses together made a lot of sense and is now allowed us to sort of grow and really step on and as, as you have today, sort of keep growing up in the right way as you go and keep maturing as all organizations do, that the structures need to change every so often.

00;13;25;13 - 00;13;35;00

HOST

And so, outside of real estate, did you have the ventures, sustainable infrastructure, natural capital, energy and other arms as well?

00;13;35;00 - 00;13;53;19

GUEST

Yeah. So and that's a good way to sort of take back what are those key areas we choose to play in as a business is octopus. So key areas of venture capital. And that sort of goes back to those retail roots. The kind of capital we raised to invest was to to invest in those early stage businesses, lots of infrastructure and really early into solar.

00;13;53;19 - 00;14;13;20

GUEST

I think it's one of the key things. And out of that and being familiar with the energy markets came Octopus Energy and an investment. We we seed it off the balance sheet at octopus and happened before I arrived. Octopus started on that journey and then it's just grown rapidly now and and to a point where I sort it 2 or 3 years ago sort of needed its own identity a little bit more.

00;14;13;20 - 00;14;31;05

GUEST

So, yeah, you go around the UK and even some places around the world now and people know Octopus Energy, which is fantastic. The investment management business is still there, it's still big, it's still going strong and it's growing as well. And I think for us is those key areas still of infrastructure. What else do we need now in that sustainable infrastructure?

00;14;31;05 - 00;14;59;11

GUEST

What else is going to help energy transition. And then just keep looking at that stage beyond as well. So something like Natural Capital, which we're having a look at but want to do it high integrity. We've seen people go and course early movers always have these headwinds to face and people have made huge progress. But how do we take it on the next phase, having done it 2 or 3 times in other sectors, in solar and renewables, in a lot of the health care sectors, in the real estate market that we invest in as well.

00;14;59;11 - 00;15;04;05

GUEST

We've been an early mover into these sectors and then scaled up basically.

00;15;04;07 - 00;15;17;18

HOST

So a couple of things just in terms of kind of capital, you touched on kind of retail capital, but then also institutional capital. Yeah. Was that always a blend of retail and institutional from day one or was it kind of retail led? And then as the business kind of scaled, you decided to kind of bring in institutional cap.

00;15;17;19 - 00;15;36;14

GUEST

Exactly. So yeah, retail led. And then the business that you get to that stage where you start to move into that markets, where can we invest and deploy some bigger chunks of capital. And also octopus bought a real estate manager called medics, which was what form that healthcare business as well. So it brought with it some institutional capital.

00;15;36;14 - 00;15;56;14

GUEST

And then we've we've grown that. And so then that balance starts changing. So you've got that good mix then between retail institutional and clearly then the institutional money. And if you look globally as well as got quite a long way to run. And so you keep growing there making that progress. But it's really important as well. I think the retail element is key to us and our identity.

00;15;56;18 - 00;16;17;05

GUEST

We're used to dealing with lots of people, as you do with retail investors. We're used to working in sectors where there are lots of people there. We're quite people focused in the real estate business, sort of 80, 90% is in the living sectors. We feel really comfortable there. And we know some managers and bigger managers sometimes look at some of those sectors and think, oh, is there reputational risk?

00;16;17;05 - 00;16;30;10

GUEST

All the people there is. Yeah, there is and there's regulation and and probably more regulation around it. But we're used to that. It's do that, lean into that regulation, build your own teams and really focus on end user, customer, consumer.

00;16;30;12 - 00;16;41;02

HOST

So the lending business you had the lending business in the health care business. And if I'm if I'm not mistaken, you kind of exited the the health care business or part of the health care or that listed part to help.

00;16;41;02 - 00;17;17;16

GUEST

Yeah. So so yeah, classic sort of public markets it can happen sometimes is sort of that aggregation happens. And so yeah, so early 2019 HPE bought that fund in terms of the assets they invested in. But complete overlap is medical centers. It's the same covenants underlying as well. So yeah scale play there. And so that that bit of the business went in terms of doing medical centers, we still had a few developments that we sort of brought through in that space, but then had a growing and by that stage already quite big care homes business as well, which again, newer sector in the UK clearly care provisions have been done in the UK sort of

00;17;17;19 - 00;17;31;17

GUEST

hundreds of years, but in terms of that institutionalization of the real estate side of care homes, a really early mover, sort of moving to that sector sort of 2010, 2011, before octopus acquired that business. And then that's something we just kept on growing.



00;17;31;19 - 00;17;34;06

HOST

And then talk to you about the lending business as well.

00;17;34;07 - 00;17;52;01

GUEST

Yeah. So real mix there does 2 or 3 core things over time. And again has evolved. So we do quite a lot of residential lending. So buy to let and bridging down to single houses and asset sort of good deal. Flow to 3 or 400 loans a year in that business I sort of good good turn over there.

00;17;52;04 - 00;18;14;13

GUEST

And then for us that specialism is then really focused on working with developers. Who do we like to work with? We like to work with people who are making stuff happen. So we do a lot of bridging transitional development, lending as well. And again, 80, 90% focus on the living sectors. We do do some stuff outside there, but funding that whole sort of life cycle of people.

00;18;14;13 - 00;18;39;13

GUEST

So we do quite a lot of debt financing to student. We do some co-living. We've done some co-living sites build to rent, build to sell affordable housing and then retirement in care. So in that lending space, sort of covering that whole life cycle of a person and also covering the life cycle of real estate. So we'll fund the site, will fund land, will fund development, will fund stabilize zation and refurbishment.

00;18;39;15 - 00;18;52;27

GUEST

And we do a bit of term lending in that commercial space. But clearly the insurer is the banks will be that the market. If you're looking at investment grade, that's not us. We're in that sort of slightly higher energy end of it. But that's what we want to be.

00;18;52;29 - 00;18;59;16

HOST

And then as well, you've also got the retirement homes part we haven't touched on. When did that come into. Yeah.

00;18;59;16 - 00;19;23;13

GUEST

So that that sort of grew up some out of the sort of private equity style investing that we're doing, which is investing into these early developer operators in the UK, trying to borrow some of these models from New Zealand, from the US and slowly evolving them. And then really sort of kicked on in 2018 and Kevin joined us to sort of head up that business and really growing that as an institutional product as well.

00;19;23;13 - 00;19;43;23

GUEST

So can we put capital into that, having seen that growth in these other sectors, knowing that we've got that powerful demographic trend which underpins our care home investment? But he's been moving the whole time as well as a profit housing for people who don't yet need care as well. And so for us, it is how do we commit to sector's long term.

00;19;43;28 - 00;20;05;19

GUEST

For us, it's not an opportunity in and out. It's being able to sort of be in there sometimes then the scars on the way through. But just be persistent, keep working, find the right opportunities and know that in time that every day there is more and more demand for your product and it keeps coming through as well. So

yeah, it's a natural sort of move from care homes from us as well.

00;20;05;23 - 00;20;10;07

GUEST

So in terms of these equity strategies, now we have care homes, retirement living and affordable housing.

00;20;10;10 - 00;20;17;23

HOST

Yeah. And you bought an RPA a few years ago, if I'm not mistaken. Was that your kind of your move into to affordable. What was the reasoning for doing that.

00;20;17;23 - 00;20;36;21

GUEST

Yeah. So it's a sector that we, we looked at for a long time and I think for the business is always where do we choose to play. And and you can always say you get to a certain scale is let's just do every sector. Let's go quickly. Let's try and do that. And I think we looked really hard at where we have competitive advantage, where it makes sense, where our people are used to dealing with it.

00;20;36;21 - 00;21;10;19

GUEST

And I think for us is affordable housing made a lot of sense there? Clearly all the living sectors, the residential that we invest in all the time, we've done loads of debt funding of affordable, but also had team members who had experience from the social housing sector, had spent a long time in, in registered providers themselves. So for us, it was how do we start being part of that wave to bring capital and equity capital to help move that affordable housing for clearly, the banks have been lending to the space for a long time, but clearly we also have a shortage of affordable housing.

00;21;10;22 - 00;21;29;10

GUEST

And so it needs that capital injection to do it. So for us, it was set up a long term play. And and as I said before, regulated sector rather than try and structure around it for us our attitude is always go in, be regulated, subject yourself to the regulation, be a peer and and hold yourself to the same standards.

00;21;29;13 - 00;21;46;28

GUEST

And then you can build a long term business based on trust, based on working with with parties who are also wanting to be there for decades or centuries as they have been in some people and some of the early charities into, into and affordable housing. So for us, that's very much it. Build the team and then keep going from there.

00;21;46;28 - 00;21;49;29

HOST

And it's for profit rather than the profit registered provider.

00;21;49;29 - 00;22;08;06

GUEST

Exactly. And I think underpinning that with doctors is always remembering that people see up to us. They see the sectors you're in. We're also B Corp. So one of the sort of first financial services investment businesses to be a B Corp. We've just re certified now after three years and the school has gone up 222. And the threshold for being a B equals 80.

00;22;08;06 - 00;22;30;00

GUEST

So people look at it and say look, is there a lack of commerciality there or something like no, there isn't

hyper commercial. And you sort of look at founders board, everybody else with super focus on commercial. It's just that the way we choose to do business, go into sectors for the long term, try and make those sectors a little bit better and lift the tide and succeed that way.

00;22;30;03 - 00;22;58;06

HOST

And I guess apply some of that entrepreneurial spirit. DNA, an approach once you've kind of got in there within the confines of the playbook or the rules. Exactly that are that are there. 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.

00;22;58;11 - 00;23;27;14

HOST

I've got really big plans for people property plays podcast, and that one small action really, really helps grow the show and the present and enables us to keep doing what we're doing. So if you haven't already, please follow or like on the platform you watch or listen to. Thanks so much. Your role, initially was in corporate development.

00;23;27;14 - 00;23;29;24

HOST

If I'm, if I'm not wrong, that is that.

00;23;29;27 - 00;23;41;05

GUEST

That was the role was before the current one. So I started doing effectively sort of originating deals for the, the that we managed. And then when that was acquired, switched over to running the Care Homes fund.

00;23;41;07 - 00;23;43;03

HOST

And so you kind of moved into more of a fund manager.

00;23;43;03 - 00;23;44;24

GUEST

More of a fund manager, high doing that.

00;23;44;24 - 00;23;52;19

HOST

And was that a kind of a big transition, moving from being more transactional orientated to kind of being more kind of strategic and more fund management?

00;23;52;19 - 00;24;07;03

GUEST

Yeah, I think you've got it. You still got to get stuck into the deals like that. Like we're quite a big team with 90 people in real estate, but it's still not huge. So you still got to be close to the deals. You've got to be involved in them sometimes originate them still, but I think, yeah, you've got it.

00;24;07;03 - 00;24;23;04

GUEST

You've got to step back a little bit and start trying to bring that objective ity into your role and, and trying to make sure you're making these good long term decisions all the time as well, rather than get deal fever and energy, which is is a hugely important thing to have. And and it is what gets deals done.

00;24;23;04 - 00;24;44;01

GUEST

But you've got to be able at some point to start stepping back, start thinking about financing and really as well, I think bringing sort of day to day are we delivering for our investors as well? And that's really, really important. And taking up that fundraising and I think fundraising and and being out on the road, raising money is really powerful to make you think about then how you're investing it.

00;24;44;04 - 00;25;03;19

GUEST

And are you getting that match or you're getting the feedback from your investors? What do they like? What don't they like? And remembering that investors always have a choice where they put their money not just in terms of managers, but sectors and regions and geographies as well. And I think the more you're thinking about that, the better the

00;25;03;21 - 00;25;22;09

HOST

Yeah, any kind of investment management, private equity fund management world, there's lots of different kind of structures and fund structures, typically three five year turnaround. We're talking about committing to a sector or an asset or a strategy for for a long term play. How how are your funds set up and how do they enable you to do that?

00;25;22;15 - 00;25;24;16

HOST

Do you have kind of a number of evergreen vehicles?

00;25;24;16 - 00;25;46;21

GUEST

Yes we have. We've got a real mix of everything. So we have we have some evergreen strategies with and some of these started life as closed and the classic more private equity style vehicles that then have created assets that people want to hold on to. But yeah, certainly that evergreen style structure around some of the sort of core core plus style investments we do, income led allows us to take that really long view.

00;25;46;23 - 00;26;01;16

GUEST

In those funds, we often think about being a forever landlord. People say, what's your whole period? And it is nice just to be able to think, well, I just want to hold this asset for as long as it's well placed and the sectors we're in and things like care homes, you're around the country, it's a needs based sector.

00;26;01;16 - 00;26;23;00

GUEST

If you get an asset in the right location, close to people is delivering the right service and the rents are right, then that's a great asset. We actually, in our care homes actually have very little inside the M25. It's just one of those things we spend a lot of time out and around the UK. That can be great investments in the living sectors everywhere, as long as the rents right and based right for where it is.

00;26;23;02 - 00;26;44;06

GUEST

So we've got that. And then on the more sort of value add side and on some of our debt funds as well. Yeah. Classic 5 or 7 year style fund as you'd expect, and sort of more private equity and then a few sort of SMA styles or, or forward flows on, on our debt side as well. So we do a little bit of everything, and it's just like making sure you switched on well to that mode.

00;26;44;09 - 00;27;03;10

GUEST

There's always this thing though, that even with closed ended funds is actually invest is want to invest with a manager over various vintages. And so at some point they they start to blend into it. It's dollar cost

averaging through that cycle. So you sort of hope sometimes you can obsess over which which style of fund you're going to go out with.

00;27;03;13 - 00;27;17;05

GUEST

Some investors do have a real preference, some don't. Some just want to know that the investment is going to be good. They want to back you for 10 or 15 years anyway. And so whether it's evergreen or closed ended and they go through a few vintages, it doesn't matter.

00;27;17;07 - 00;27;38;05

HOST

It's ensure you've got the right product for their needs at the particular time, and you can sort of evolve in due course as more opportunities present themselves. How difficult has it been raising capital? Because, the last couple of years have been a challenging fundraising landscape for the last year that I've had, but apart from a few exceptions, it's the ones that have got a particular kind of niche strategy or focused.

00;27;38;05 - 00;27;46;08

HOST

Yeah, have have been able to raise money. Not easier. But you know, they could have, you know, to raise rate, raise a little bit more straight.

00;27;46;10 - 00;27;46;29

GUEST

Up some of it. Yeah.

00;27;47;01 - 00;27;57;21

HOST

Quite an especially a managers within the, the living. Yeah. Or a kind of a bed focused strategy. So have you found it really challenging or is it a case of kind of a testament to kind of re-upping investors in that long term.

00;27;57;21 - 00;28;14;10

GUEST

Yeah, I mean it's definitely been harder. And I think it's what central banks generally do. Right? Which is, is take the heat out of the market, take liquidity out. And and that's what happens. There's there's less money to go around. And so you see that and feel that. And investors sort of rightly cautious again depending on their mindset as well.

00;28;14;10 - 00;28;39;22

GUEST

So I think you're right in terms of those sectors where when the capital flows have started coming back in, have probably benefited disproportionately to where it was before. Other things like beds, logistics, any sort of hear that theme again and again. So it's good to be in in those places when it comes back in. And I think the other big thing as well, the sort of narrative straight away, which is everyone only wants value out when, when the markets turn as well.

00;28;39;24 - 00;28;54;26

GUEST

I think they want they want value add returns in terms of numeric returns. Do they suddenly want to take loads of development risk? I'm not so sure. And I think it's that blend. So we obviously off a bit of both. We have value add funds in the sense of we we do take development and fill up risk.

00;28;55;02 - 00;29;12;23

GUEST

We also have core and core plus ones. And there are opportunities in both when markets turn. And I think

making sure you remember that. And actually in some ways buying income which looks a little bit undervalued can actually lead to really, really good returns, particularly in evergreen strategies where you're investing over a cycle and you want to keep doing it.

00;29;12;23 - 00;29;29;24

GUEST

It's a nice thing to have bought. So I think you've always got to do that. You've got to react to what investors want. They certainly have said they want high returns on some things, although the most money we've raised in the last six months has been into our core and and core plus one. So it always comes in in both ways as well.

00;29;29;24 - 00;29;52;01

GUEST

So I think you've just got to keep speaking to investors. You've there's clearly some distress to work through for everybody in the market as well. And I think you see difference both on the deployments front but also fundraising front, is those people who've got a relatively clean pair of heels and have got the the head space to be able to invest again or deploy and, and go again.

00;29;52;03 - 00;30;09;11

GUEST

And those who are dealing with a bit of baggage, which is understandable at the end of a cycle. So I think it's just being patient, being good at what you're good at, using the dry powder you do have wisely, and then just keeping relationships strong and working with investors to to come out well. The other side.

00;30;09;14 - 00;30;18;07

HOST

In terms of, the team you mentioned, kind of 9100 people or so, do you do everything in-house or do you also kind of lean on external partners as well?

00;30;18;07 - 00;30;37;09

GUEST

We do a lot in-house and and I think sometimes sort other managers we speak to, though particularly some sometimes some of the US managers are like, what are what's everyone doing? And I think part of the understanding there is we deal in sectors with a lot size tends to be a bit smaller, and so we tend to be a higher volume, higher touch manager.

00;30;37;09 - 00;30;54;11

GUEST

And and those operational sectors, I think to really invest well in them, you've got to get into the assets and and really understand them as well. If it's hard just to do, at least stick it in the drawer and hope it all works out well. So we're quite hands on. We do a lot in-house on our debt side.

00;30;54;11 - 00;31;12;10

GUEST

For instance, we pretty much do all of our servicing in-house. We do all our portfolio management has and originate in-house and and so sort of the full works, you see all of those loans and most of the teams work on that basis. Clearly there are certain partners we work with and, and professional advisors to sort of key parts of what we do.

00;31;12;17 - 00;31;38;25

GUEST

But I think our gut reaction normally is can we do it ourselves, build a team, build that functional skillset, and we're quite, as a result, quite diverse. Is it as a base of people. So we've got people who are out and out real estate investors, accountants. We've got a lot of people from the construction side as well, ex developers and then the specialists in their teams from sectors and also three nurses I had, I.

00;31;38;26 - 00;31;39;20

HOST

Was going to say that.

00;31;39;23 - 00;31;55;27

GUEST

Yeah, which is really weird for a real estate investor, but you sort of look back at, where we started, loads of healthcare investment is how do we invest? Well, we've got to make sure the care in the buildings that we are in is being delivered. Well. How do we work with partners? And remember, a lot of operators in the space are growing themselves.

00;31;55;27 - 00;32;13;17

GUEST

Some are massive and have all the internal functions and all the risk and governance. Some are still growing. And so for us it is how do we work with them to help them get better as well? We don't do this in a sort of purely extra inspectorate layer. That's not it. It's how do we work with them? How do we.

00;32;13;17 - 00;32;26;09

GUEST

Yes, take some data and sort of work out where we think things could be better or where they're going. Well, but also how do we help make our operators better to the extent they want to do that as well. So yeah, sort of.

00;32;26;11 - 00;32;31;10

HOST

Having in-house nurses as well helps with kind of product market fit and kind of help to develop.

00;32;31;10 - 00;32;50;19

GUEST

Exactly. And and it's amazing. And people, people think, oh, is it just sort of game around games. And I guess the point is I'll nursing team. We'll look at the plans of a care home region to invest in and say, oh, look, the line of sight down that corridor means you're not covering this or that. And it's those kind of things that you sort of build that institutional organizational knowledge over time.

00;32;50;19 - 00;33;07;18

GUEST

And then maybe the investment team can take a bit of that, and maybe you don't need to ask every silly question about health care to a team who would get exasperated with us as well. But it's working together and seeing people as really important, equal parts of that. And and I'll, I'll nursing team present on our investor calls.

00;33;07;18 - 00;33;29;19

GUEST

It's really important because we're a landlord of care homes. It's an operational underwrite based on whether these care homes are performing. So yeah, it's sort of a key part. And we don't mind being different in that sense. And I think that is that sort of octopus theme is if we need nursing in nursing coverage, if we need loads more construction team, if we need this, let's go.

00;33;29;21 - 00;33;31;22

GUEST

All right. Build the team.

00;33;31;24 - 00;33;46;07

HOST

How competitive we touch on the fundraising piece, but how competitive it is in terms of deal sourcing at the moment. Yeah. And are there more managers and other capital allocators looking to kind of get into the sector. And have you seen in what kind of. Yeah. What's the competitive landscape when you look kind of like deal hunting?

00;33;46;07 - 00;34;03;12

GUEST

Yeah, yeah, it's really interesting. I think I'm sure your other guest as well is I think there are really different risk appetites in the market at the moment. There are clearly people who are and and just the weight of capital is it has been going towards some of the living sectors more recently. And so there's always that risk of do they get overheated.

00;34;03;12 - 00;34;19;07

GUEST

And I think that's why you've still got to be good at asset level, at your asset level on the right all the time. Quickly. This would have been a leveling as interest rates have gone out. All sectors to some extent of rebase sort of started the horse race again. But you've still got to be good at asset level.

00;34;19;07 - 00;34;41;08

GUEST

You can't just pick a sector or just spread it everywhere and think that it's all going to work. So yeah, we've definitely seen more people come into the living sectors as well. I think for us is we like particularly on the equity side, staying in in our specialisms where we know it takes some time to build up that, that organizational knowledge, the trust, the networks that you need to do it.

00;34;41;10 - 00;35;02;13

GUEST

We originate a lot in-house as well. So I think that's another sort of important aspect to it as well. But the sectors sort of do, do come and go, and it's really important for us to remember that there are other sectors that our investors can choose to to be in as well. And so we've got to offer something on a risk adjusted basis that that keeps making sense to them.

00;35;02;15 - 00;35;13;29

HOST

Something that we've kind of danced around a little bit here is, is people and the importance of the people. How do you balance ambition and drive and building the business with kind of retaining the culture of the team? At the same time.

00;35;14;01 - 00;35;50;01

GUEST

I think sort of people and team is one of the biggest challenges. Always in a business is how do you attract great people with good energy, particularly with us going to new areas, doing things a little bit differently, and you've got to balance these sort of formal when you get to the size that we are now, an octopus as a whole, on the investment side, 6 or 700 people, you've got to balance those formal, really strong recruitment routes, right from sort of internship and graduate and then having the informal side of it as well is how we bringing people on, how we mentoring them, how we giving people just opportunity to do work that

00;35;50;01 - 00;36;12;02

GUEST

they enjoy. And so I think it's it's trying to find and hire for the right thing for the organization as well, which is hiring for energy is is really, really important. And, and the leaders in a business can't bring all the energy to a business, particularly when you're drawing things. You've got to bring a lot of it, but you still need help sometimes as well, because otherwise you frazzle yourself.



00;36;12;02 - 00;36;31;05

GUEST

So you've got to have that sort of relentless team energy to keep moving forward. When you try things, I think you've got to want to and proactively build a team of people who want to be team players as well. And I sort of said at the start, it's it's important, the good times. It helps origination, it helps build networks quickly.

00;36;31;07 - 00;36;47;14

GUEST

It's just vital in the hard times. You've got to have people who share problems, want to get stuck in and help other people when deals haven't gone as well as they should have done, so that's really key as well. And then as I said, yeah, in real estate, we've sort of built formal graduate recruitment program over the last 2 or 3 years.

00;36;47;19 - 00;37;06;25

GUEST

That rotation around our teams bring people through and bring really sort of great young people to keep everybody else on their toes and it brings a huge amount of energy to the business doing that as well. So I think all of those things are really, really important. But hiring for team players, hiring for energy.

00;37;06;28 - 00;37;31;21

HOST

I think energy's massive. I don't think people talk about it enough, I think is one of the subconscious things, but that people look for. But they don't necessarily overtly state it as a key, a key thing that they're looking for. But I completely agree that energy is so, so important and massively underrated. Octopus has got, an amazing ambition in terms of looking to get, 50 billion under management, if I'm not mistaken.

00;37;31;24 - 00;37;49;02

HOST

But 2030 is that right? From a what, a 13.6 billion starting point. Starting point. Yeah. Massive. It's kind of four x in four years. Five years or so. Six years. Even if I do my math correctly, what part is kind of real estate play within that that kind of expansion?

00;37;49;02 - 00;38;07;19

GUEST

Yeah, I think it's quite, quite a big part. And I think if you look across these sectors and when you're talking those kind of numbers, clearly you've got to be in these some of these real sectors where there is capital intensive ness to them as well. What's the purpose of having a goal like that is really to set ambition and the scale of that ambition as well.

00;38;07;19 - 00;38;23;15

GUEST

And a key part of it is also what we want to invest in. So it's those so ideas, people, industries that will change the world, which seems quite high and lofty, is an ambition as well. But I think it again, just actually drives us to to be really focused on what we're doing. And what we say no to.

00;38;23;15 - 00;38;40;00

GUEST

Because as an investor, you can always sit there, look at the investment universe and get a little bit overwhelmed. And where do I start? And I think some people sometimes look at that, that these managers who go at it in that with that kind of focus and say, look, is it restrictive? Does it, does it hold you back?

00;38;40;02 - 00;39;00;27

GUEST

Actually, no, it's really nice. It's really focusing like quite quickly where you want to play and who you want to play with because of the values that you have around it as well. And it means that you can move through and really work out and and bring real effort concentrated and on onto what you're trying to do. But clearly we've got to grow.

00;39;00;27 - 00;39;24;14

GUEST

And you sort of look at these two dimensions. Is it more sectors, is it more geographies. And and also grow what you've got. You've got to remember as well that you're most likely to grow from what you've already got. And add a few new things on now and again, which is what we're trying to do. And so for us, I think is where we specialist and have built those those sectors specialisms, let's make use of them, let's keep growing them.

00;39;24;14 - 00;39;41;00

GUEST

And our investors have said the same as we like the way you invest in those sectors is can you start expanding it in particular as we raise more and more capital, global capital, we've always had always had a lot of European capital, but have started to to raise more money from further afield, is looking at it on a regional basis.

00;39;41;00 - 00;40;03;14

GUEST

And so for that is one of the things you mentioned. The start is why we, we moving to Spain and doing that is that for us is is one of those choices. Let's take some of the sectors we know well. Look for places where the fundamentals in those sectors we think are attractive and will be over the long term and start to do that and do it really deliberately and carefully, rather than just running around and thinking that we're going to do it quickly.

00;40;03;20 - 00;40;06;26

GUEST

But to build local expertise, got to have the right team as well.

00;40;07;04 - 00;40;20;25

HOST

And so does that. And you kind of you may have touched on it. Does it come from investors coming to you to say, look, we want to back you, we want you to expand, or is it you going to invest just to say, hey, look, we've we've got a good thing going on. We know the rules of the game and this is what we want to focus on.

00;40;20;25 - 00;40;26;09

HOST

Will you back us if we go into Spain or kind of wider European countries? How does that conversation evolve?

00;40;26;10 - 00;40;42;29

GUEST

It's got to be both. And I think some people always say like, it's just it's just listening to one side or it's just looking at the other. And my view and it's a personal view is you've got to do debate. There's no shortcut. You've got to and I think you've got to listen to your investors. That is vital.

00;40;43;02 - 00;41;00;07

GUEST

But you've also got to remember that lots of managers are against them with lots of ideas. And so there's a limited amount of bandwidth that you're going to get. And so you've got to have done some of the groundwork before you go to them. And co-creating is really important, but there's got to be a kernel of

something there to go from as well.

00;41;00;07 - 00;41;21;21

GUEST

So I think across all of our teams is it's both. You've got a you've got to match that capital to the investment opportunities long term and believe in both because investors will look for commitment from you as well into those sectors. Why do you want to go there. So yeah I'm I'm not someone who subscribes just to go just one way or the other is you've just got to do both.

00;41;21;21 - 00;41;23;01

GUEST

It's hard, but you've got to do both.

00;41;23;01 - 00;41;35;05

HOST

And you've got to have some skin in the game. It's going to justify your reasoning. So talking about the process of landing on Spain. Yeah. And what's the strategy. What's the plan. What is the first thing that you're going to be kind of looking at when you land.

00;41;35;05 - 00;41;59;13

GUEST

Yeah. So I think we we looked at what we're good at and, and in those living sectors and, and particular specialisms around that, that later living as well and also knowing always we've always got all that business as well, which is probably that most generalist across. And that can work and we looked at it, each investment team looking independently and saying, look, where are these sort of 2 or 3 places that that seem pretty attractive to us.

00;41;59;13 - 00;42;19;13

GUEST

And we looked at Spain so that demographics that are moving towards that old population as, as most developing countries are. But but certainly they're in Spain and happening now a great health system underpinning it, because we invest in a lot of health and care related real estate. So that's really, really important. At the end of the day, we're a real estate investor.

00;42;19;13 - 00;42;36;21

GUEST

We're not taking an investor's money and taking massive health care risk for people as well. So that's got to be there. Some great developer operators in Spain coming out in that space, but perhaps hasn't had the weight of capital into some of those sectors that we've been in, maybe that the UK has had for a little bit as well.

00;42;36;21 - 00;42;50;12

GUEST

So for a number of those reasons, we thought it is a good stepping off point. Clearly you have to pick some to get going and a couple of the teams, it came high up on that list. And so you sort of say, right, let's go for it. And then an all star, which is and then it start building the team.

00;42;50;12 - 00;43;12;04

GUEST

So what are priorities is is recruiting the right team getting that right as you said sort of I'm going out there for a bit to get it going, which which we think is important is a step out for us. We've got to bring everybody with it. We've got to take some culture, but then get that team right and then it can start going in the rest of the business and take those other strategies as we sort of evolve.

00;43;12;05 - 00;43;27;05

HOST

So you, you're, you're moving your wife and, and your two kids seven and five. Yeah. Seven and five out to Madrid taking them out of school. Yeah. To to kind of go and set up the new, kind of octopus platform. How many other people are you taking from London?

00;43;27;05 - 00;43;44;22

GUEST

So there'll be one coming with me. Just to start with, we hoping that we're going to have a couple of, team members from Spain join us pretty quickly as well. And then 1 or 2 others from Optus as well coming that. But but keep building it. And I think you've got to get that initial early presence and then keep building from there is as you raise that capital.

00;43;44;29 - 00;43;51;02

HOST

And so you're going to be running the Spanish expansion plan, but also the UK platform from Spain. Yeah.

00;43;51;02 - 00;44;06;19

GUEST

Well, I think the key thing is actually is getting the right team in to run that Spanish business as well. And me being based there for a bit, it's going to help that as well. So as you'd expect, running a business other than a 30 or 40% of my job is growing new things. That is clearly a new thing.

00;44;06;19 - 00;44;21;21

GUEST

We're growing. So that emphasis there is focusing and helping that team grow it. I'm only going to be doing everything day to day. No, there's no way I can do that. This sort of running, running the rest of the business as well. And making sure there's the sort of right, right number of trips back and making sure everyone's going as well.

00;44;21;21 - 00;44;41;23

GUEST

But we've got a really strong management team, 6 or 7 fund managers across our various strategies as well. And they all run their own businesses and funds anyway. So it is is to help bring that focus and commitment at the start. Like we like to do is go all in, get it going and then in the right way, get back here and let that team get on with it.

00;44;41;23 - 00;44;45;03

GUEST

And then 1 or 2 people from London sort of go as we grow.

00;44;45;05 - 00;44;52;28

HOST

And and we're right in saying that you've got a €200 million JV with is it Nino? Nino. Yeah.

00;44;53;00 - 00;45;07;26

GUEST

So one of these first deals. Exactly. So we're looking to sort of do a as Nino of announce that retirement rental strategy into Spain early on and, and are out there raising that capital to fund that strategy and go through. So yeah exciting step for us.

00;45;07;26 - 00;45;22;23

HOST

So that'll be kind of the operating partner. Bring the local expertise. Exactly. And you'll bring the public capital and yeah oversight there in terms of how you how you build it. Yeah. And then without pressure

you kind of focused on Spain. What's the kind of the wider vision and wider plan longer term in terms of kind of expanding the kind of the real estate platform?

00:45:22;23 - 00:45:23;02

HOST

Yeah.

00:45:23;02 - 00:45:40;05

GUEST

So for us, I think it is again, that similar exercise we've done before is how do we do that next step. When's right. But I think for us this sort of short term near-term is it get Spain up and going. Well we've we've also done a bit of lending in Ireland. We used to do a bit of investment in in Ireland as well in the medics fund days of the REIT as well.

00:45:40;05 - 00:45:53;18

GUEST

So we've always done a little bit there as well. So how do we build out that sort of euro denominated side. And then at the right time make the right next step. And obviously octopus as a whole sort of looking at where and how it grows.

00:45:53;20 - 00:46:02;23

HOST

How how is your role kind of changed since you, you joined the business? And did you have aspirations early on to be running the real estate platform?

00:46:02;25 - 00:46:27;23

GUEST

No, I think for me it's always been like, just do what's in front of you. Do it well, enjoy the next thing, the next challenge when it sort of presents itself. And I'm trying do a good job. I think what's changed massively is just firstly, I spend most of my time working like I'm thinking about people, and it really changes from that sort of deal focus to to the business and people focus.

00:46:27;23 - 00:46:48;14

GUEST

And then as I talked about choosing where and how we grow. So that's the biggest change is and knowing that I haven't got the time to sort of dive into everything all the time and oversee it. So we've got a brilliant team is why we have 90 people there. They are the experts. They have a huge amount more expertise than I do in a lot of what we do.

00:46:48;14 - 00:47:07;06

GUEST

It is knowing when maybe you do need to go in and help out or challenge, but very quickly getting back to thinking what my job is, which is looking at some of that longer term direction as well. So everything is and everybody is, is really crucial to that picture. It's just a different sort of focus space, I think.

00:47:07;13 - 00:47:21;02

HOST

So as a platform, we spoken about the different parts of octopus and the different strands within the business. How do you bring those together, and how does the data that you have in one part of the business inform strategy or inform another part of the business? Do you do you look at that and leverage it?

00:47:21;02 - 00:47:45;27

GUEST

Yeah, I think so. As you grow and get bigger, you're generating data data points as well. And then there's

that question of sort of how do we how do we collect it first, how do we use it. And I think doing things like becoming a B Corp in the real estate world, submitting to B and all of those kind of certifications is it drives you to start to be good at collecting data and it but it does it in quite a specific way.

00;47;45;27 - 00;48;13;12

GUEST

And I think for us is always, how do we come up with the right? Our own rules are what we want to get out of that data as well. So clearly a big focus for us has been on the energy side to start with. And you've got a sister company sort of a massive growing energy business who's right at the front in terms of technology, what you can do in the home in terms of not just generation solar PV, but how do you connect it up to batteries, your electric vehicle, and just manage it well around the home as well?

00;48;13;12 - 00;48;33;00

GUEST

So a lot of it is where we can sort of working with others. Over at Octopus Energy a lot, really thinking about all of the products they're offering zero bills homes. How do we do that onto some of our sort of commercial buildings? And I say, I mean things like care homes as well. How do we start to decarbonize our care homes, both our existing stock and new homes.

00;48;33;02 - 00;48;49;23

GUEST

So always being at the forefront of that. And then you're starting to use that, that data through as well. And then you've got the whole healthcare side to it as well. So how can we start to work with our operators to start to collect that healthcare data to, to make things, better and, and share some of that data back to them?

00;48;49;23 - 00;49;06;25

GUEST

Because I think for us, it's not about us capturing it, using it, and necessarily just winning it for ourselves is how do we give some of it back? How do we start to notice trends in the way that care home operates from our data and share it back to people in in a good way, saying like this is this is how everybody can can get a little bit better as well.

00;49;06;25 - 00;49;23;11

GUEST

So energy has been a key focus for us, as you'd expect for a long time. And you sort of look at some of our funds now in the great B ratings on them and the way they've gone through have really driven forward there. And it helps just having that mentality where you're driven to look at everything through that energy lens.

00;49;23;14 - 00;49;42;13

GUEST

But yeah, as I say, there are those other aspects to it occupational data, care data as well, that's really important. You've got to manage it correctly and do it properly. And clearly stepping into affordable housing where not only the regulator but being a good landlord, fundamentally, how do we do that? Well, so data is really key to all of that.

00;49;42;13 - 00;49;47;17

GUEST

And we spend quite a lot of time and quite a lot of money on that and making sure we've got the right platforms to do that.

00;49;47;18 - 00;50;10;03

HOST

I guess all part of that B court kind of journey approach giving, sharing and enabling, other people to

make better quality decisions when it comes to, kind of cross pollination that you've touched on. Is it a case of you look at deals and you can go, oh, that could be an affordable or I can underwrite is an affordable play or a care home or retirement plays out a benefit as well in terms of having some strategies quite closely linked together.

00;50;10;05 - 00;50;29;29

GUEST

It is, although it's amazingly how that doesn't really come up. It's amazing you set up for your conflicts, committees and everything else like that, and you sort of have those standing conflicts. Is are we going to be having these slides all the time? That could be one or the other. And actually, you know, it tends to have been at some point already a developer development partner has already taken it to that point where they've got a consents on it as well.

00;50;29;29 - 00;50;46;26

GUEST

So you tend to know what that building's going to be. What it can mean, though, is, is increasingly where you've got mixed use developments in the earlier days. And I sort of go back five or 7 or 8 years. There are a few people trying to do it, and it was a little bit harder. Planning was perhaps a little bit more difficult around some of that.

00;50;46;28 - 00;51;05;27

GUEST

I think what we're starting to see now, that now is that we can look at a mixed use scheme, whether it's a big one or a small one, and start to fund various parts of that. And we're probably one of those managers who's got these various aspects and can do it sometimes starts with a debt. Can we fund the site?

00;51;05;27 - 00;51;19;28

GUEST

Can we sort of bridge it out of that consent while everyone's getting ready? Can we do a development lead then? Can we start sort of funding bits of that and maybe owning bits for the long term as well? Now, clearly you've got to get the pricing right. It's got to go through all of the right sort of committees and governance.

00;51;19;28 - 00;51;45;21

GUEST

That's really important. But it's it's being able to offer that solution to, to developers when they're doing it and unlocking it. Clearly, the banks have more and more restrictions around them on what they can lend on. And so all sweet spot remains being working with really good mid-sized developer operators. That engine room of delivering homes that people want across across the country and now outside into into new geographies as well.

00;51;45;24 - 00;52;04;14

HOST

Well, Ed, you've had an amazing background kind of switching from solicitor to, to real estate, corp dev fund manager and now kind of leading the wider platform in terms of kind of future growth as we kind of draw this conversation to a close, a question that I ask everyone who comes on the podcast is, if I gave you 500 million pounds of the capital, who are the people?

00;52;04;14 - 00;52;07;26

HOST

What property and which place would you look to deploy that capital?

00;52;07;26 - 00;52;29;24

GUEST

Yeah, and I think it's really repetitious of what I just said, which is where do we love? We love those

mid-sized developers that, have been and still should be that engine room of delivering really, really quite high quality places to live. So they care about it. They build buildings that are really fit for their local markets as well, and they've got really strong reputations as well.

00:52:29;24 - 00:52:39;16

GUEST

So for me, it is finding the sort of right, 5 or 10 of those great developers and developer operators who you can fund. That's the sort of self-serving answer.

00:52:39;16 - 00:52:42;12

HOST

If if I was completely free, what do I do?

00:52:42;14 - 00:53:05;11

GUEST

I still think there's there's some growth to come into the hospitality and leisure and unclear. They're huge expertise in that already. But you just look at, again, real estate where people want to be and want to be, whether it's on holiday, whether it's that short stay and you see hotels really sort of pushing on again. So I think some of that stuff around there is there's more opportunity to come there as well.

00:53:05;12 - 00:53:14;02

HOST

Is your corporate part of your brain getting the opportunity to to kind of change rents on a daily basis is is attractive as well. Is. Yes. I mean, the other way where.

00:53:14;05 - 00:53:33;27

GUEST

We're always looking for the next sector as well. Yeah. There's always that. Yeah. How do you price, how do you do those kind of things. And, and clearly there are people way more expert than us doing some of that already as well. I think it is for us just delivering, delivering that space that's good that people really, really want fundamentally and that's that's I mean about that, that big team to do that.

00:53:34;02 - 00:53:48;19

HOST

Well edge sure you don't need it, but all the all the best with the move to the trade in a couple of weeks, and really excited to see what you and the team, going to do out there. And in the UK, as you, as you build, and reach the very high ambitions that you've got.

00:53:48;26 - 00:53:51;00

GUEST

Brilliant. Thanks for having me.

00:53:51;02 - 00:54:13;17

HOST

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00:54:13;19 - 00:54:40;24

HOST

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00;54;40;27 - 00;54;48;21

HOST

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