

00;00;03;29 - 00;00;26;08

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;11 - 00;01;00;11

HOST

Today on the People Place podcast, I'm delighted to be joined by Louisa Butters, Senior Director and Head of Retail Asset Management at CBRE Investment Management. CBRE. I am is a leading real assets firm who have some \$140 billion under management, over a thousand team members and offices in over 30 locations worldwide. Louisa started her career at King Sturge, now Jalloh, and has worked at CBRE Global Investors, Cherwell District Council and Cadogan.

00;01;00;14 - 00;01;08;18

HOST

Before joining CBRE Investment Management as a director and it gives me great pleasure that she joins us on the podcast today. So Louisa, welcome.

00;01;08;24 - 00;01;09;19

GUEST

Thank you for having me.

00;01;09;21 - 00;01;25;02

HOST

Not at all. Well, look, I'm really excited to understand a little bit about your background and state of the market where we are today. But before we get onto that good stuff, can we rewind the clock? And can you tell me a little bit about chapter one and how and why you got into real estate?

00;01;25;04 - 00;01;45;10

GUEST

Yeah, absolutely. Well, the short answer is accidentally. Really? It wasn't really my career plan. It wasn't really an industry that I knew much about until I fell into it. So my original plan had been to study dentistry, and I'd gone through all the torture of chemistry and biology A-levels only to fall at the final hurdle on A-level results day.

00;01;45;15 - 00;02;01;02

GUEST

Oh, never. A rethink was required, which I did on a beach in Australia, so it was good. I realized I actually had never really wanted to do dentistry in the first place, and I fact that was somebody else's ambition rather than my own.

00;02;01;04 - 00;02;02;22

HOST

Family's ambition.

00;02;02;24 - 00;02;12;12

GUEST

Yeah, I think my parents really liked the idea of having a doctor and a dentist in the family. So my older sister's a medic, and I think they just thought that would help them in later life.

00;02;12;15 - 00;02;13;19

HOST

Were they were they doctors or.

00;02;13;20 - 00;02;36;16

GUEST

No, neither. Really. I think they just both liked the idea of a service led career. Neither of them are into business either, but I think that's partly because of that, that I ended up looking at the commercial side of things. Sort of. Well, it was new and exciting. I hadn't really seen the pitfalls that other people might have seen had the parents been involved, and big corporates all owning their own business.

00;02;36;19 - 00;02;57;28

GUEST

So yeah, some moments of reflection whilst on a gap year in Australia and applied to do accounting and finance with French at Birmingham, which I loved a lot. Birmingham. It was getting through a real period of change at the time, and I really loved the French aspects of my undergrad, but the accounting was accounting and I just went went a great.

00;02;58;05 - 00;03;01;10

HOST

You are friends. You're a glutton for punishment.

00;03;01;10 - 00;03;27;05

GUEST

Chemistry, physics, I know accounting languages. Somebody should have had a word with me, I think, but I well, I really enjoyed my time there, particularly my year in Bordeaux. So you're both at the University of Bordeaux doing metrics incompatibility, accountancy, basically. But whilst I was working there, the English pub that I embarrassingly worked at participated in a big outdoor wine festival called The Epicurean.

00;03;27;07 - 00;03;50;22

GUEST

And it was an amazing, sort of fiesta. It happens every four years, and all the big winemakers and things were those fantastic 4 or 5 day event. But whilst I was there at the English pub, The Frog and Ros, both a group of surveyors came up there, will see that on a bit of a jolly and got talking to them and it was just really interesting.

00;03;50;24 - 00;04;15;22

GUEST

It was a good balance of sort of commercial outputs, commercial aspects as well as it being people business. And it was that that really appealed. Like the combination of both of those things was something I wasn't going to get if I'd gone to, to go down to London. The accounting route, or diverted to something else. So pleased to have found something that she sounded like it was a good fit with my personality.

00;04;15;24 - 00;04;34;28

GUEST

So a bit more digging, a bit more research, tapping into any connection I could possibly find. Work experience placement with CBRE in Birmingham at the time. And then yeah, went through the grant application, whoops. And finally landed at Chesterton in 2003, I think.

00;04;35;00 - 00;04;42;05

HOST

So what were you like as a kid growing up then? Were you?

00;04;42;07 - 00;04;44;01

HOST

You know, academic or sporty?

00;04;44;01 - 00;05;06;10

GUEST

You know, a bit too disruptive. Definitely not disruptive. I think my parents are vouch for that. I was at an academic all girls school, which I found difficult at times, particularly on the academic side. So I always felt like I was bumping along the bottom and it wasn't until I think I did my GCSEs and I sort of outperformed where everybody thought I would get to, that.

00;05;06;10 - 00;05;19;19

GUEST

I suddenly had a bit of a boost of confidence, and I think it was that that made me go, oh, I could do country. I've got the grades. I can do whatever I want. And what I missed was really the consideration of is this actually what I want?

00;05;19;22 - 00;05;20;08

HOST

Is it for me.

00;05;20;08 - 00;05;41;18

GUEST

Is it the right career path or am I just choosing it because it's the best career I maybe thought I would never be able to access? And the proof of the pudding video was in picking some A-levels that I really wasn't well suited to and I didn't enjoy. And I think if I could go back into it again, I'd do something different, a completely different set.

00;05;41;18 - 00;05;45;00

GUEST

I'd keep the French, but maybe dropped the sciences.

00;05;45;03 - 00;06;00;17

HOST

Outside of the the real estate surveyors that you met at that English pub. And in France, did you have any friends or contacts within the real estate world, or was that your kind of first introduction to property and being a viable career?

00;06;00;20 - 00;06;20;27

GUEST

Yeah. So I had an uncle by marriage who was in property, but with Severn Trent Water. So, you know, not necessarily on the big corporate side. And a cousin who is reading a real estate undergrad. So I did tap into him and he told me all about the the fun side of it, which again, really appealed with the people side of it.

00;06;20;27 - 00;06;34;19

GUEST

So we call it rather than just socializing. So that was good to get a real insight, but it's difficult to access any information about it unless you do. You take the time to do a work experience. Placement of some form or an internship.

00;06;34;22 - 00;06;40;23

HOST

Is still a quite a close industry. It's much better than it was, but I can imagine back in the early 2000 it was really challenging to get a yeah.

00;06;40;23 - 00;07;03;19

GUEST

That I was really lucky because I was applying in Birmingham and I wrote directly to, I think, the head of

the office and the head of investment, and you want to do a bit of time and investment, and I actually ended up doing that work experience placement over the Christmas holidays. So, I mean, I had a great time, but I didn't see that much of the real estate market at play.

00;07;03;19 - 00;07;07;26

GUEST

I produced a few spreadsheets, and I spent a lot of time in the pub.

00;07;08;03 - 00;07;08;23

HOST

I can imagine.

00;07;08;23 - 00;07;23;27

GUEST

So I wouldn't say that was the only driver to a career in property, but at the time that was a big park. I could see my mates working big corporate jobs in tall towers and locked inside for days on end in front of the screen, and I knew I didn't want that.

00;07;23;29 - 00;07;36;08

HOST

And so it was the blend of actually, getting into a career with a ladder and a trajectory combined with an ability to stimulate you intellectually, but also have a bit of fun and work with people you found interesting too.

00;07;36;09 - 00;07;44;09

GUEST

Yeah. Something you've got an aptitude for is I think it's really important. It's a good motivator. It's got to be balanced with an element of fun.

00;07;44;12 - 00;07;51;12

HOST

So you finish your CBRE internship and you're like, yeah, this is kind of route that I want to go down. Yeah. How did the role at Chesterton's come around?

00;07;51;15 - 00;08;27;11

GUEST

So I well, did the usual grad grad scheme applications I think interviewed with three. It was difficult being a non cognate. So it's known property undergrads. I was going to be against people who'd got masters or the right undergrad and the Chesterton interview. There were four topics you could choose to present. Three of them were real estate led, and the fourth topic was draft bitter is better than lager, and I knew very little about that as a subject, but slightly more about that than I did about the real estate prices.

00;08;27;14 - 00;08;46;26

GUEST

So that was the reason I went down and actually just made it quite funny. And I think that really appealed to the panel of interviewers. He'd probably seen a lot of presentations about Crossrail or valuation being an art, not a science, and then somebody that sort of turns up and says, I tested my hypothesis on a night out.

00;08;46;28 - 00;08;48;18

GUEST

It's probably quite refreshing.

00;08;48;19 - 00;08;49;01

HOST

Yeah.

00;08;49;01 - 00;08;56;15

GUEST

So I think I was lucky to learn there as a non coconut because it is or was at the time difficult to learn those grad scheme positions.

00;08;56;18 - 00;09;02;14

HOST

So you landed your grad scheme. Was it just kind of standard rotations and did you do a master's on the side at the same time?

00;09;02;16 - 00;09;19;11

GUEST

Yeah. So again not particularly straightforward right. So tested in was in some financial difficulty at the time. And the master's always meant to be doing was pivoted to an NVQ, which would have been fine had that been what I was sold.

00;09;19;15 - 00;09;20;11

HOST

Was an image.

00;09;20;11 - 00;09;41;10

GUEST

Cue. So there was an alternative route to gaining yes status, which meant I think you gained a tech RCS qualification, and you do that rather than getting your masters, your property masters, you would get a property NVQ. In hindsight, I don't think it would have mattered particularly, but at the time I felt I'd been sold apart and I was right.

00;09;41;11 - 00;10;13;02

GUEST

This is not what I was here for. Yeah. So whilst I had an amazing time at Chesterton, I was there for nine months and I had a great team that I worked with who were just so welcoming and good fun. Actually, I wanted to get my masters. I wanted to do the roots properly. Having pivoted a couple of times at this point, it was very important to me to get it right, and I saw a job advertised with King Sturge in Paris and they would put me on the proper grad scheme with rotations.

00;10;13;04 - 00;10;21;22

GUEST

My masters by distance learning would be fully funded, and that rang the bell for me on so many levels that I jumped at the opportunity. Theory.

00;10;21;22 - 00;10;26;25

HOST

No brainer, no brainer. And so what role did you go and do it? King Sturge in Paris.

00;10;26;27 - 00;10;55;09

GUEST

I went to help with international investment. So it's a pretty small office. And they wanted English speakers who could help with the underwrite for investment thesis and so on. I tried when I was there to do a bit of work with the business space team, but the French market works quite differently to the UK, and although at that point I did have some 912 months experience from Chesterton, I was still very fresh to do and it was difficult to break into those conversations.

00;10;55;15 - 00;11;14;21

GUEST

As a French being my second language and probably at that point not particularly fluent. Having conversations through negotiation points on heads of terms was maybe a bit too much of a stretch. So I kept trying. But ultimately I landed with the book, continuing with the investment team and a bit of ALS on the side.

00;11;14;24 - 00;11;20;23

HOST

So how long were you in Paris for, and did you come back to the UK and tell me about that kind of move?

00;11;20;25 - 00;11;41;29

GUEST

So I was in Paris for just over a year and I have to say that was slightly disappointing. I'd wanted to be there for a lot longer. I don't suppose it's making life there, but happily, I suppose I'd met my husband whilst I was at Chesterton and it was time to come back, so I moved back year after about a year.

00;11;42;01 - 00;11;53;21

GUEST

Kingstone were great at accommodating me and after a short stint in business rates, I move back into the investment team there and was there, I think, for another 12 months.

00;11;53;24 - 00;11;56;15

HOST

And did you qualify at this stage?

00;11;56;17 - 00;12;19;01

GUEST

No. I realize I sound quite awful here. I was fickle, I wasn't fickle, but like maybe sound that way. I actually qualified at CBRE, GI, so CBRE Global Investors now, CBRE Investment Management. So I switched courses after about a year in investment in the UK, I moved to CBRE, GI as well as.

00;12;19;04 - 00;12;20;29

HOST

Having not having not got your notes.

00;12;20;29 - 00;12;24;08

GUEST

Got my letters, but getting them about six months after it was quite.

00;12;24;08 - 00;12;39;08

HOST

A big risk. So at the time, not that many people would do that. They'd kind of wait, get the letters, get the salary rise, it kind of bank that maybe land in the team that they wanted to do and then look to move. You decided to change pieces notes.

00;12;39;10 - 00;13;01;16

GUEST

A virtue of my wish can be a blessing and a curse. And yeah, you're probably right. I maybe could have stayed and banked that pay rise and skipped later on, but I really liked what CBRE gi we're doing. They were hugely acquisitive at the time. The pace of the investment deals was fast, it was nimble. There was talk with the markets.

00;13;01;19 - 00;13;09;28

GUEST

It was really exciting place to be, so I'm glad I did it. I just feel a bit guilty for King Sturge. I'm sorry that I took your most as money did to.

00;13;10;00 - 00;13;25;01

HOST

Take your experience in Paris. Thank you. Yeah, thank you for taking me back to the UK and used it. But, you know, I think at the early stage of your career, it's important to go and test, try different cultures, different parts of the market, build your understanding, be selfish as well and to a point of course, without burning bridges.

00;13;25;01 - 00;13;30;18

HOST

But what was it about the principle side that you wanted to go and be a part of, rather than being on the advisory side?

00;13;30;20 - 00;13;49;21

GUEST

I think it the ability to be making the decisions rather than to be on the receiving end of them. So yeah, I wanted to be in control. I mean, bear in mind, I was, you know, very junior. I've made very few decisions independently whilst I was there, but it's being on the team that was making them and influencing your clients.

00;13;49;21 - 00;14;02;16

GUEST

Your separate account mandates into what we should be buying when there was, you know, huge amount of discretion within those funds at the time and that that made things exciting. You could affect change yourself.

00;14;02;18 - 00;14;06;19

HOST

And did you go as an analyst or what role did you kind of go and join us?

00;14;06;22 - 00;14;46;13

GUEST

So I think I joined as senior surveyor, but then the positions were renamed to analyst and senior analyst and things. I think it was most it was an American model. I did workers nonetheless, but I would say that was on the periphery of what I did. A lot of what I was involved in then was buying and selling for, I think, 3 or 4 different portfolio mandates, but also at the deal execution, getting those occupancy rates as high as possible, making sure that room was collected on time, and pursuing arrears that were outstanding, or the real nuts and bolts, which, to be honest, it's not that dissimilar to where I am today.

00;14;46;13 - 00;14;48;14

GUEST

It's just the scales a bit different.

00;14;48;16 - 00;14;54;28

HOST

And was that in terms of the investable universe, offices, retail, industrial, or what were you predominantly working on at that stage? Yeah, we.

00;14;54;28 - 00;15;25;09

GUEST

Were cross-sector, so we weren't specialized. We weren't in specialized teams at that point, which was good. It was quite a job. And I think there's still relevance in that today. When you're dealing with smaller lot sizes that maybe don't require specialist expertise. With the assets I'm dealing with now, they are

much bigger. They are more cumbersome. You need a longer term strategy if you're going to deliver to your clients aspirations.

00;15;25;11 - 00;15;31;12

GUEST

So that sector specialism is crucial. Now dealing with the types of assets that I'm working with.

00;15;31;15 - 00;15;32;00

HOST

But at that.

00;15;32;00 - 00;15;33;00

GUEST

Stage, at that stage.

00;15;33;06 - 00;15;39;25

HOST

Aidan stage, you could work across a variety and really build your investment and asset management muscle.

00;15;39;28 - 00;15;53;08

GUEST

Really important to get that kind of exposure. You don't want to specialize in your 20s. That's way too early. You want to know enough to know which sector you want to, which sets you want to back, which sector you find interesting.

00;15;53;10 - 00;15;58;25

HOST

And were you working across kind of core plus through to valuable development opportunities, or was it not segregated.

00;15;58;26 - 00;16;04;20

GUEST

Less on the development side? A bit of value added via Core Plus, predominantly, I would say.

00;16;04;23 - 00;16;13;05

HOST

And did you enjoy the kind of investment, acquisition and disposition work? Was it more of the asset management and business plan implementation and execution piece that you enjoyed?

00;16;13;12 - 00;16;32;13

GUEST

Yeah, I mean, I think it's a sign of the times I don't remember doing much in the way of disposals. It was a lot more acquisitions. So that's really dynamic and interesting. And on the road, looking at various opportunities and drilling into the underwrites and go see which one are you going to pick. You've got the sector weighting that you need to abide by.

00;16;32;14 - 00;16;39;09

GUEST

So you can if you've got room for one bit of high street retail, then you need to make sure you pick the right one.

00;16;39;11 - 00;16;48;20

HOST

Can you talk to me about? Yeah, you're doing a lot of transaction work and. Can you just talk to me about

maybe the impact or your recollections of the global financial crisis and how you dealt with that?

00;16;48;23 - 00;17;19;14

GUEST

Yeah, yeah. So probably quite luckily I was on that leave when it really came home to roost, but it was a pretty, pretty awful time as a corporates. I know there was there were big fallouts. We had to make difficult decisions and I, I was distracted but very worried about what position that might leave me. And when I came back to work happily, though, I was able to step back into my role, albeit on a different fund but a slightly different business to lots of changed.

00;17;19;14 - 00;17;33;21

GUEST

So when I talk previously about lots of time socializing with colleagues and things actually that that very much wound down, it was probably a good thing. We all did need to knuckle down.

00;17;33;27 - 00;17;36;05

HOST

To a bit more institutional, a bit more and more.

00;17;36;05 - 00;17;52;15

GUEST

In both of those growing up and a bit more institutional. And I think the industry was ready for it. I mean, there are still diehards out there now who are living that that sort of career, and I admire them enormously. But I think I prefer having a bit of a better balance these days.

00;17;52;17 - 00;18;04;20

HOST

And was that a challenge coming back, a with change in your personal life, but also change coming back in terms of almost a new business, new approach and trying to find your feet and navigate. Yeah. Navigate that route.

00;18;04;20 - 00;18;29;10

GUEST

Back really difficult. I mean, as I say, I was lucky that I missed out really on the coalface because I wasn't it wasn't there, I wasn't that leave. But upon return, it was clear that quite a lot of seismic changes that happened within the industry, albeit through the prism of Covid, they look like relatively minor. But yeah, things started to pick up quite quickly on the recovery side.

00;18;29;10 - 00;18;49;15

GUEST

So again, it was great being part of a dynamic business that was winning mandates and things. So that said, coming back with a baby and by this point we've moved out of London. The commute to contend with it was a really difficult juggling act, so I won't say I found it easy.

00;18;49;17 - 00;19;06;09

HOST

I guess people still find it challenging today, but the industry is coming off a long way from there. It's still got a long way to go, but it definitely isn't surprising and people won't be surprised to hear that it was a is a difficult challenge. How did your role evolve or what was your kind of thinking with that transition moving out of out of town?

00;19;06;11 - 00;19;28;16

GUEST

Well, at the time it was more driven by personal circumstances, you know, the young baby and actually wanting to be outside of central London rather than in the thick of it. But, you know, I came back to work

for a year after Matt leave, and then my husband and I made the decision together that actually some time for me to be at home was probably no bad thing.

00;19;28;16 - 00;19;48;11

GUEST

He's also in real estate, so any one of us really could be on Malibu and train every day. So I fell on my sword and stayed at home, which I loved. It was good times. It was nice to have some time out of the profession, but I will just say it wasn't. It wasn't twiddling my thumbs in a play and stuff.

00;19;48;11 - 00;20;10;03

GUEST

I did set up, sort of cottage industry during my time at home. So I started a catering business, which I really enjoyed. It scratched another itch for me. It was back to that commercial nature, always pretty motivated about getting stuff done, and that turned out to be more successful. So I probably stayed at home for longer than I'd anticipated.

00;20;10;04 - 00;20;18;03

GUEST

I kind of thought it would be 2 or 3 year tops, but actually it turned into five six year career break.

00;20;18;05 - 00;20;29;24

HOST

But it enabled you to pursue alternative endeavors, right? And and build different skills or experiences and explore different passions. Because as you touched on, you're definitely not one to rest on your laurels or. Yeah, I know.

00;20;29;27 - 00;20;48;15

GUEST

I was good in lots of respects. I've got huge admiration for anybody that sets up their own business and grows it. I mean, it's it's a minefield and it's a real labor of love. There's a huge amount of investment, not just financial, that goes into setting up a business, let alone taking it further than that. I don't think it would be for me, longer term.

00;20;48;15 - 00;21;09;23

GUEST

It isn't for me. Longer term. I quite like being part of a bigger business. I quite like being part of the corporates. Security, I think is important. So whilst I'm quite up for a bit of a risk, I it's always measured and setting up your own business was enjoyable whilst it lasted, but growing it was probably one step too far for me.

00;21;09;26 - 00;21;14;26

HOST

You came back into real estate if I'm not mistaken, in July 2016.

00;21;14;28 - 00;21;42;01

GUEST

So the reason I went to travel was, you know, the opportunity was great. So I was meant to be setting up that property and investment fund. It was local to me. I could drop my kids off at school and I could get to the office. It was tough in lots of ways, I did. My first choice would have been to come back into London again, but on three days a week, and at the time that just was difficult to come by.

00;21;42;08 - 00;21;43;22

HOST

Certainly almost impossible.

00;21;43;22 - 00;22;01;03

GUEST

Almost impossible from a position of, you know, unemployment within the field. Yeah, I think they were. Yeah. It may have been easier where you were employed and wanted to reduce your hours, but going in straight up and saying three days a week is what I can do, was just no, not appealing at doesn't surprise.

00;22;01;04 - 00;22;07;09

HOST

I remember a couple of people talk about it being an option, but actually they deliver on it if they were looking someone very rarely.

00;22;07;09 - 00;22;13;21

GUEST

Yeah, yeah. So hence working locally with flexi time was works for me. Yeah.

00;22;13;21 - 00;22;32;23

HOST

And if I'm not mistaken this is 2016. This is the time when kind of councils are thinking how can we make more money from real estate? Because all the private investors and developers are making a fortune. How can we get in on the act? Right? And yeah, top up or top up the deficit or make some moves on our patch, but realistically they're not really set up as property investors.

00;22;32;23 - 00;22;40;29

HOST

Developers know what were the some of the challenges that you had to to overcome?

00;22;41;01 - 00;22;42;28

HOST

How long have you got?

00;22;43;00 - 00;23;04;14

GUEST

There are quite a few, as you say, local authorities, quite naive at the time, thinking it's quite easy to make cash from this, but it was only a few days in when I asked to see the rent. Well, for the operational property that they owned. And that's when I realized that actually things weren't being done in the way that I was used to them being done.

00;23;04;17 - 00;23;33;26

GUEST

Rent wasn't collected on time, arrears weren't pursued, asset management just was practically non-existent. And fair enough, real estate ownership wasn't isn't the local authority's strength, it said they never pretended to be, but it was difficult to invest on travel's behalf without first sorting out the fundamentals. So I found myself going down rabbit holes, really, of trying to overhaul systems that met with huge resistance.

00;23;33;28 - 00;23;59;04

GUEST

I had a great commercial director at Tower, who was a big supporter and was really keen to see things reformed, but small voice in quite a big arena and I felt like I was hitting my head against a brick wall. So sadly, because the convenience was amazing and I like the idea of doing something good for my local community in my local area.

00;23;59;07 - 00;24;08;08

GUEST

But reluctantly, I accepted that I need to come back into London somewhere a bit more dynamic, and

hence they accepted the role.

00;24;08;09 - 00;24;44;18

HOST

A catering 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;24;44;19 - 00;25;00;28

HOST

So if you haven't already, please follow or like on the platform you watch or listen to. Thanks so much for those listening who don't know, Keegan, can you just give you a bit of a an overview of what was it going to role and remit that you kind of joined in.

00;25;01;00 - 00;25;16;29

GUEST

Asking, now I'm not sure I can get there. I certainly can't get the stats right. So I landed London State, owned by Lord Cadogan and has been in that family for generations upon generations. So a slice of some of the most amazing real estate in central London.

00;25;17;01 - 00;25;40;02

HOST

But a different type of organization to the advisory, well, that you started in and then the kind of fund management world and then the entrepreneurial kind of mum family juggling legend through to council. To come into like a landed estate. That must have been a completely different mindset and approach, but quite a good toy set to play with as well.

00;25;40;04 - 00;26;04;15

GUEST

Yeah, I mean amazing, amazing assets. When we lived in London, we lived in Pimlico. So I spent a lot of my life painting the pavements of Chelsea and I just loved it. I loved the resale. The FMB, their long term ambitions were inspiring. They had good ideas and they were executing them. So whilst London Estates you tend to think of it being quite slow to to reform.

00;26;04;15 - 00;26;10;21

GUEST

Actually there were some pretty big changes taking place at Cadogan, which yeah, we're really appealing to be, to be a part of.

00;26;10;26 - 00;26;18;28

HOST

And it being real estate, being a real estate company and real estate being front and center. Yeah. Meant you had the remit and the ability to go out and execute on some of.

00;26;18;28 - 00;26;51;15

GUEST

These well and the longer term view, but that was really helpful to making decisions at CBRE. GI I've been used to making decisions that were purely investment focused. I what's going to deliver the best return to our clients. This is about Cadogan is about delivering the best return to the the people, the community, the stakeholders much bigger picture and consequently the bottom line and the return on investments was less important, but not the most important.

00;26;51;23 - 00;27;01;24

HOST

Other considerations to be mindful of. And was it a mixed portfolio that you're responsible for, or did you start to try and focus on retail in terms of a bias?

00;27;01;27 - 00;27;25;10

GUEST

Yeah, it's definitely mixed. So we were allocated at the time. I'm not sure how it is now, but at the time we were allocated a patch, a mine with same streets, which was pretty amazing for a real estate to be looking after. But within that offices, leisure, car parks, residential? Yeah, a real smorgasbord of bits and pieces of real estate.

00;27;25;16 - 00;27;36;25

GUEST

So whilst it was predominantly retail and the big shiny flagship retail stores, actually there was quite a lot to get your teeth into. When it came to looking at pockets of other, other sector.

00;27;36;28 - 00;27;48;29

HOST

How were you combating, the rise in e-commerce through 2017, 18, 19? From a real estate and portfolio curation perspective, it could again.

00;27;49;01 - 00;28;17;08

GUEST

So we were pretty lucky with certainly with Sloane Street, the online penetration was pretty minimal when it came to luxury retail. Covid changed things around, but this is prior to that. So we had a lot of overseas visitors who accounted for a huge amount, a huge proportion of spent on the streets. So to that extent, we recovered. But also at the time we had the vast relief that is no longer there that's disappeared with Brexit.

00;28;17;08 - 00;28;34;24

GUEST

So I'd say that's probably a threat. And I'm sure all the landed estates or resale is really in London. Have a plan to deal with that. So yeah, online penetration wasn't really a concern. What was a concern was people coming to browse in the same street shops and then going and buying at another.

00;28;34;27 - 00;28;35;15

HOST

Location.

00;28;35;15 - 00;28;57;04

GUEST

Location, so the consumer would benefit from the expertise in store, but we'd actually go somewhere else and buy it where maybe they had a a loyalty card or were getting some park that could I couldn't equal, we did work quite hard as Link Street loyalty card and I'm not sure where that landed, but really difficult to get these things up and running.

00;28;57;07 - 00;29;06;01

HOST

And I guess that's where being an asset manager and curating portfolios and placemaking is really important to try and retain customers and placemaking.

00;29;06;04 - 00;29;34;08

GUEST

Yeah, absolutely. And the plans for Sloane Street, which I think are now being put into action. So lots of greening, lots of planting, making the streets a more attractive place to be. They're all part of a bigger picture. And actually King's Road, I think it's been through a pretty big metamorphosis in terms of

placemaking. Lots more FMB going in to improve increased dwell time and to make sure you're really appealing to that local audience.

00;29;34;11 - 00;29;52;06

GUEST

There's a great captive audience in Chelsea, but also UK domestic wider UK domestic audience. Chelsea is a destination and people will go there. If I can do as they have done to date and evolved, we've been proactive on their strategy and adapt as.

00;29;52;08 - 00;30;09;02

HOST

You move to CBRE Investment Management, it was CBRE Global Investors that you worked at previously and I guess moved back to the business, although it's probably been through many different changes by that stage. Why did you make the move and can you just tell me about the journey you've been on over the last five years or so?

00;30;09;05 - 00;30;36;07

GUEST

Yeah. So I moved back in 2019 and basically because I had a call with one of my colleagues who was looking to recruit, and I'd been at Cadogan for for two years, and I was ready to take the next step, which wasn't an obvious one at Cadogan. So I made the move back and as you say, same business, but lots of changes.

00;30;36;07 - 00;30;51;28

GUEST

So they merged with IAG not long after. So slightly different business. But actually what I really liked were lots of the same faces that my contemporaries, my contemporaries, have now practically running the show. It was pretty impressive.

00;30;51;29 - 00;30;57;22

HOST

So we kind of had an air of familiarity, but a new opportunity. Yeah, kind of clear mandate to do something different.

00;30;57;22 - 00;30;59;00

GUEST

Yeah, exactly.

00;30;59;03 - 00;31;07;05

HOST

And so did you go and did you specialize in retail specifically at that time, or was your role within asset management broader than that?

00;31;07;07 - 00;31;28;15

GUEST

I was responsible for our UK shopping centers along with a colleague. And yeah, I think they were really looking for some retail specialist. I'm pleased I have some retail specialism. You know, when we developed our relationships with our occupiers and actually that was really useful. Stepping back into it with CBRE, I am.

00;31;28;17 - 00;31;48;05

HOST

2019 and retail. That's a tough gig. If I recall, at that time retail was a really dirty word, and trying to get anyone to patch their name to retail is nigh on impossible. You know, you're catching knives and there's no light at the end of the tunnel. How much convincing did you need? And you're a glutton for punishment

or was it just like.

00;31;48;05 - 00;31;49;28

GUEST

A challenge for me? Like a challenge?

00;31;50;00 - 00;31;51;21

HOST

It was a challenge of it. Was it? And.

00;31;51;21 - 00;31;56;16

GUEST

Yeah. And you know, with any market disruption comes opportunity.

00;31;56;24 - 00;32;15;08

HOST

And is that all about setting a plan, a vision, and either curating or getting ahead of the customers and saying, look, this is what we're anticipating are going to be the key things? Or is it more bottom up than that? And it's actually looking at the trends, engaging your occupiers and curating, creating something that they want.

00;32;15;10 - 00;32;38;13

GUEST

I think it's a bit of both. I mean, the last thing you want to do is lead the witness. Although we sometimes do test strategies on consumers when they're open to it, we use a huge amount of consumer insights to determine what our visitors think of our scheme, how we could improve it, the incredibly useful we do quantitative and qualitative analysis.

00;32;38;15 - 00;33;05;18

GUEST

We do. We look at Google reviews, you know, pay really close attention to what our consumer wants. And as a result, we're fairly nimble at creating the most relevant proposition. And I think that's how you make a success of retail investment being nimble, making sure the proposition is right and executing that plan. And that's that's where I'd say at CBRE, I am we're really good at that as we do it.

00;33;05;20 - 00;33;11;01

HOST

And is your customer a consumer, your occupier, your tenant or you're looking at their consumer?

00;33;11;04 - 00;33;12;13

GUEST

It's a good question.

00;33;12;13 - 00;33;15;26

HOST

How and which lens and how do you go about segmenting the.

00;33;16;02 - 00;33;17;22

GUEST

Consumer as a visitor.

00;33;17;27 - 00;33;19;06

HOST

To consumer as your visitor.

00;33;19;11 - 00;33;42;16

GUEST

And to at the end user? Yeah. So, you know, the bit that we can curate is how our scheme appeals to the the demographic. What we can't curated is how a retailer might pivot their strategy or how their corporate success might ebb and flow, where our hands are tied on that, even as a least, there's very little you can do.

00;33;42;19 - 00;34;06;20

GUEST

But what we can do is create the right atmosphere, the right place. For dwell time, for footfall, for engagements. And with that comes a retailer that's aligned, hopefully one with whom you can have open conversations and a good relationship and work together to make sure that you're delivering something that's mutually beneficial.

00;34;06;23 - 00;34;22;19

HOST

How do you balance income with, turnaround and void periods, as well as kind of wanting to have kind of an anchor tenants as well as maybe more up and coming vibrant brands that maybe aren't that well known.

00;34;22;21 - 00;34;45;24

GUEST

Yeah, I mean, in the Covid recovery, it was easier because we had a few voids so we could we were prepared to to take bigger risks. Now that the occupancy has improved. It is it's more of a challenge to get those in. But we do try to keep, you know, and in most retail shopping center assets anyway, you'll have a running void.

00;34;45;27 - 00;35;01;29

GUEST

It's the way to generate rental growth. So you're going to have a bit of space to play with in most schemes. And that's why we do allow pop ups. We let people come in and trial different things. We do community engagement events and things like that. But it is difficult as an independent to get a foot in the door.

00;35;01;29 - 00;35;03;12

GUEST

I'm not going to deny that.

00;35;03;15 - 00;35;14;26

HOST

So retail is quite a broad term for a lot of different subsectors. Shopping centers is out of town, retail is prime as high Street is secondary tertiary. What type of retail do you have it? CBRE?

00;35;14;26 - 00;35;38;09

GUEST

I am so within my mandate. We've got about 1.5 billion of, split between shopping centers, retail warehouses, a few trophy assets as a house. However, the pitch is a bit broader. We own a significant amount of retail warehousing. We still have some high streets units, you know, the full spectrum, really.

00;35;38;11 - 00;35;46;22

HOST

And is that everything? Shops and uppers, five, £10 million up to assets that are worth hundreds of millions of pounds.

00;35;46;24 - 00;36;08;23

GUEST

Yeah. I can't give you the exact stats, but I would imagine the smallest retail size we own is probably a legacy of that sort of 5 million that may have been bought as part of a much smaller portfolio, and now is looking pretty small fry in a, in a bigger picture. And then the biggest lot size you're asking now within the UK is probably 150 million.

00;36;08;25 - 00;36;28;15

HOST

And are you seeing a lot of mixed use alternate uses coming into retail and looking to kind of carve up to the point early? You touched on catering around placemaking and trying to keep customers there and stick ability and spending and data. Are you are you having to think a little bit more laterally in terms of how you view retail?

00;36;28;18 - 00;36;47;14

GUEST

Yeah, absolutely. But that's long been the game for retail, as you say. Even pre-COVID retail was in oversupply. So we've been thinking about these strategies for a long time. It's now that they're really settling in and taking shape. So you know I'll scheme in full in we introduced co-working to try and get people up to the first floor.

00;36;47;15 - 00;37;06;05

GUEST

And that's got synergy with a pretty significant gym refurbishment that we did. We've got some a leisure play that's going on at the moment, you know, work in progress. So yeah, it's all about diversifying that use for consumer appeal and proposition as well as investor performance.

00;37;06;07 - 00;37;32;10

HOST

And as a landlord, not one that is focused on a particular geographic like you were conducting. Do you mind as much if consumers or customers come to one of your assets for an experience, but then go and buy online? And how do you check the credit worthiness of a tenant as well, who maybe isn't underwriting the lease with store sales, but is backing it up with online sales to justify that position?

00;37;32;10 - 00;37;56;29

GUEST

Oh great, that damned it. So we're happy for consumers were welcomed into our schemes whether they want to spend money or not. The very welcome and what we do want to promote is loyalty and engagement. And whether that results in a spend on day one or a spend on day 201, it doesn't really matter. There are consumer and they're important to us.

00;37;57;01 - 00;38;21;21

GUEST

But we would really like as the retailers, it's a certain transparency around that. We'd love to know if somebody visited. Our scheme goes on to spend online with them. Unfortunately, we don't have that model here in the UK. We may have some lease agreements where we do have access to turnover, but it's usually a pretty hard fought negotiation and retailers generally aren't too willing to share that that data.

00;38;21;21 - 00;38;29;05

GUEST

So that's blue sky. At some point in the future, it'd be great to have that. And then the other part of your question was around.

00;38;29;05 - 00;38;29;28

HOST

Credit worthiness.

00;38;29;28 - 00;38;30;06

GUEST

Credit.

00;38;30;06 - 00;38;39;10

HOST

Worthiness and maybe real estate coming out of a marketing budget or spend rather than a property budget. When you come to to put these retailers into your schemes.

00;38;39;13 - 00;39;11;17

GUEST

Yeah. I mean, I that was sort of a big buzz around that the marketing spend a few years ago. And I think that still is a big element of it, but it fits into a much wider omnichannel strategy. So all physical retail space is a showroom, is sales, is experiences, online servicing, returns, collections. You think of a huge number of fashion retailers now where if they don't have it in stock, they can readily produce an iPad and order it to be delivered to your home.

00;39;11;19 - 00;39;40;19

GUEST

The following day is just part and parcel of the retail experience now. So when it comes to credit worthiness of a tenant, you know, we've gone through a pretty big shakeup. And then lots of ways that's been helpful. The corporate dynamics have been well, the corporate bonnet has been lifted. We know what's happened. We're all pretty aware of the strategies that corporates used to expand and were alert to that these days in a way that perhaps we we weren't.

00;39;40;21 - 00;40;04;24

GUEST

We do run pretty extensive checks, partly because we have to from money laundering, but also we need to understand that where we are supporting a tenant, maybe with rent free, maybe with a stepped rent or a turnover element at early stages of their lease. We need to know what they're doing, what their ambition is, how they're funded, when it's might dry up, when greater sources of equity are coming, who's running the show?

00;40;04;26 - 00;40;27;01

GUEST

Who are the key people? All of those things are really important. So, you know, we don't interview our tenants, but we do like to have a good chat and find out what their plans are. It's also really good for them to meet us and understand that we know we're a landlord with a face. We are approachable. We have a phone number and an email address and we're approachable.

00;40;27;07 - 00;40;28;26

GUEST

If there's a problem, you speak to.

00;40;28;26 - 00;40;30;19

HOST

Us and their success is your success.

00;40;30;19 - 00;40;39;09

GUEST

And yeah, I mean, it sounds lovely when you say it like that, but genuinely, that is the way we think about it, that there's skin in the game on both sides.

00;40;39;12 - 00;40;46;12

HOST

You touched on earlier, the retail has had its challenges, but is is on the up. Can you just talk about some of the opportunities that you see in the market?

00;40;46;14 - 00;41;19;12

GUEST

Yeah, sure. So yeah, there is opportunity to create value through repositioning, change of use. Reconfiguring the retail that doesn't deliver to current requirements needs to be considered carefully. And a new proposition put in place. That's where the value creation lies. But I also think we're now looking at risk adjusted income returns. So retail as an investment class is starting to look pretty attractive again, especially when you consider it in the context of the other sectors.

00;41;19;14 - 00;41;27;04

HOST

So in terms of a weighting, in terms of a portfolio, you're seeing an increased demand or interest in having a retail component of.

00;41;27;04 - 00;41;35;06

GUEST

Yeah, certainly an increase in interest. We expect that to translate into demand. But you know, it's September.

00;41;35;08 - 00;41;40;14

HOST

And in any particular type of retail that you're seeing that more prevalent or.

00;41;40;15 - 00;41;59;16

GUEST

Have a lots of activity around retail warehousing. Yeah. At the moment, which is happening across the board, we're definitely not the only mover in that arena, but potentially shopping centers coming back, particularly ones that are, relevant, dominant and where there's opportunity.

00;41;59;18 - 00;42;02;16

HOST

Comes back to location, I guess proper fundamentals. Right?

00;42;02;16 - 00;42;03;26

GUEST

Yeah, exactly.

00;42;03;29 - 00;42;16;26

HOST

ESG buzzword. It's been around for a number of years now as a group. And specifically with your retail hat on, where does the E, s G kind of agenda fit into your plans? As you look to drive value across your assets?

00;42;16;29 - 00;42;45;12

GUEST

Yeah. So taking the environmental first, it's it isn't always easy to execute to demonstrate progress. And I'll speak about the shopping centers actually because this is probably where I mean, it's most difficult to really realize clients and corporate ambitions around ESG. But we thought long and hard to collaborate with our tenants to get hold of the data that we need to understand the baseline position and understand where improvement can be made.

00;42;45;14 - 00;43;15;14

GUEST

Luckily, we've reached that point. We've now got a good set of data grid, you know, three years of track record that enables us to make decisions. But it is difficult to influence a retailer to whose energy consumption, for example, is part of the supply chain to service delivery. We try as hard as we can to make sure that the controls around lights being on and off within a scheme, but it's not always easy to exert that influence.

00;43;15;16 - 00;43;35;18

GUEST

We've explored in depth with solar panels, and in fact we do have panels on a number of our schemes. But I'll be totally honest, the business case for a solar panel in the UK is very different to the business case for a cell panel in southern Europe, so I'm not convinced that we always see, the return that we would hope.

00;43;35;20 - 00;43;40;21

GUEST

I think things will become easier in that regard as the industry improves.

00;43;40;24 - 00;43;48;13

HOST

And from an s perspective, I know you really social and impactful in terms of the work you do. Can you to share a little bit more on that?

00;43;48;20 - 00;44;12;24

GUEST

Yeah, so we do a lot of work in our schemes with our marketing teams and, amazing center managers who are great at reaching out to the local community. They work very closely with. It's with local schools, charities. Angel Central in Islington. We work with the theater to make sure that the theater group gets exposure in the run up to panto season.

00;44;12;26 - 00;44;31;27

GUEST

We work with lots of social groups. We do collections for coats, ups and winter time at our transport hubs, we work with food banks and so on. It's really important to us, and our scheme and our users are consumers that the shopping centers are part of a community led scheme.

00;44;31;29 - 00;44;54;03

HOST

I guess it's all part of that ecosystem that you're responsible for driving, nurturing, and it's much more multifaceted. With e-commerce and activation and pop ups. I guess the role of an asset manager must have changed an awful lot. In the years since you kind of first entered the market, what advice would you give to someone who's kind of maybe earlier on in the journey about how they can forge a career in this space?

00;44;54;05 - 00;45;18;10

GUEST

I think that's why asset management, particularly retail asset management, is, in my slightly biased opinion, the most interesting. It is dynamic. Lots has changed, lots will continue to change. And I think that's why I've been in the role I'm in for as long as I have. It's still interesting, it's still exciting. There's still lots more to learn. Advice to somebody coming in to the industry would be don't specialize too quickly.

00;45;18;13 - 00;45;39;08

GUEST

Do try everything out and don't rush to commit to something. Really. Do give it a proper try and test things

out and see what fits you best. Also, don't be afraid to switch later on in your career. Plenty of people do that, and a lot of the skills, particularly in real estate, are transferable. So bear that in mind.

00;45;39;08 - 00;45;41;17

GUEST

And I think don't let yourself be boxed in.

00;45;41;19 - 00;45;49;14

HOST

Do you think you're a better asset manager because of the investment experience you've had and the multi-sector experience you've had as well?

00;45;49;17 - 00;46;17;12

GUEST

Yes. It's the short answer, yes. I think it would be difficult to be an asset manager without understanding the investment thesis behind your holding, your clients aspirations, timeframes and so on. Slightly different, if you're lucky to be a landed estate where your time horizons are significantly longer and you're not just looking at delivering that investment performance.

00;46;17;14 - 00;46;27;25

HOST

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

00;46;27;27 - 00;46;35;02

GUEST

Hence, throughout this time I'd say, but I'm not sure if I'm dead. Million would take me where I want. Actually, I think I might need a bit more than that.

00;46;35;05 - 00;46;36;05

HOST

Some clever financing.

00;46;36;08 - 00;47;05;16

GUEST

Some you leverage up. But yeah, I think I would buy a slice of London estates. I'm sure lots of people have said that on this podcast, but for three reasons, I guess the location, it is strong. It's proven to be resilient. You know, we've been through GFC, Covid, Brexit, these locations are still performing well. Footfall growth is testament to that.

00;47;05;18 - 00;47;30;14

GUEST

Secondly, the heritage aspects I guess. So these assets have a history. They've got good strong architectural bones. There's a social history that promotes engagement and there's embedded value as a result of that. So I really like that. It's the sort of thing that I would want to own. And then lastly, stewardship. I think it's it's nice to think of that.

00;47;30;14 - 00;47;49;05

GUEST

A part of that jigsaw puzzle of an asset's lifespan. The assets I'm thinking of would have been around for 200 years, and I hope that they're around for long after I'm not. Be good to think that during my period of investment I'd future proofed, I'd added value preserved these buildings.

00;47;49;07 - 00;48;12;26

HOST

You've had a fascinating career, and I think some of the key takeaways, for me, is how you've been able to know when to pull the plug on something, be decisive, reinvent yourself, turn your hand to new assets or geographies or cultures, and be clearly relentless and passionate about the work you do. So, thank you for sharing a little bit about your background story, how you view the market and opportunities as well.

00;48;12;26 - 00;48;37;08

HOST

And I'm excited to see, how you and the team go on to, navigating this next period. Thank you. Thanks for listening to this week's episode People property Place podcast. If you found it insightful, feel free to share it with a friend or colleague. Give us a rating, light, or comment. It helps tremendously. It'd be great to hear from you on LinkedIn.

00;48;37;11 - 00;49;06;09

HOST

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00;49;06;11 - 00;49;18;08

HOST

ROC Buncombe, where you'll be able to find a wealth of information. 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.