

00:00:03:27 - 00:00:28:19

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.

00:00:28:22 - 00:00:37:20

HOST

Welcome to the People Property Place podcast. Today I'm joined by Nicholas Blackburn, co-founder at Blue Current Capital. Welcome to the show, Nick.

00:00:37:22 - 00:00:39:15

GUEST

Hello. Thank you. Thanks for having me.

00:00:39:17 - 00:01:02:27

HOST

So blue Crown capital is an ESG focused real estate investor, developer and operator enabling and accelerating the electrification of commercial fleets across the UK and continental Europe. The core focus is to service the response of businesses, which are rapidly expanding and electrifying their fleets by developing and managing purpose built EV charging hubs in close proximity to their facilities.

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HOST

We're going to go into that a little bit later, but a place I always like to start, Nick, is how you got into property in the first place, because you haven't had a really long career by, by lots of standards. But yeah. How did you get into the space?

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GUEST

Yeah, definitely. So I'm originally from the lake District, born and raised, and I think it was our early days with our father, who was a built in, owned a hotel in the Lake District, and me and my brother always very much involved hands on from day one, construction related works, building parts, hotel and so on. And I guess that spot inspired us to to get into that industry.

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GUEST

So I studied my undergraduate degree at UCL. I did project management for construction. So quite vocational. I did a sandwich as part of my degree. I worked at AC Harris. It's now known as Arcadis. It was a project management consultancy practice at Heathrow Airport for the year. It was fun, was informative, gave me some good experience.

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GUEST

But definitely sort of taught me something that I didn't want to do. I wasn't really cut out for consultancy work behind the desk and things like this, but finished a degree, and in my last year I got offered a job at BP as a construction engineer, and I think I didn't didn't expect to work in the oil and gas industry, to be honest.

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GUEST

But it kind of came across my desk. The job description was excellent, was to work on major projects, hands on, boots on the ground kind of stuff, and potential to work globally as well. So that was really exciting and sort of the week before was due to start. I was in London, came back from a summer of traveling and whatnot, and then, got a nice email saying you're relocating to Aberdeen on Monday, which

was unexpected, but it was a, you know, exciting challenge was young, I thought, why not moved up to to the North Sea?

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GUEST

Part of some really exciting projects up there and I love my time. There was really, really great experience, really making use of what I thought I wanted to do. You know, working in projects, construction industry, albeit not in the built environment, but in the energy sector. On fortunately, that period of time, about 2014 also coincided with a huge, slowdown in the price of oil, largely driven by OPEC or Saudi Arabia flooding the market with oil in an attempt to, reduce the, the cost of the oil so they could bankrupt some companies in the US and buy them.

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GUEST

Essentially. That led to BP suffering badly, firing people and whatnot. Sort of capping opportunity to graduate some sort of call myself thinking, you know, I'm a young guy getting into a long career to industry that might not be here in 20 years time, especially in the way that it's currently is in an oil and gas environment.

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GUEST

So I hedged my bets and I applied to do a master's degree at Cambridge in Real Estate finance. And that was that was, to be honest, during my time at UCL, even I had some really great lecturers in real estate and economics and so on, who previously taught at Cambridge. I was really good at those classes. I really enjoyed them.

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GUEST

They had, strongly recommended that I one day do the master's degree and I thought, great, but I'm going to work at BP, so what do I get? And then, as I mentioned, sort of led back to that path and I, I went for it, I got accepted, I went to Cambridge, had a fantastic time, doing the degree and just experience life at Cambridge was great.

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GUEST

University thoroughly enjoyed it. That led me back into sort of a meandered way to real estate. If you like, after having worked and on the gas and everything. And then I found myself, after doing a short internship, East or secured in the summer, I then joined Thor Equities, which was a real estate private equity shop in London.

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HOST

So your route, your dad was, you run the hotel and you got involved some building projects and doing it up and running at value. So that was kind of your what window into real estate. Yeah.

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GUEST

I mean, he he didn't just run the hotel. It was literally a cowshed which he converted into a four star spa hotel. And me and my brother growing up literally did that with him. Definitely gave us a lifeblood of, like, bricks and mortar, construction hands on kind of work. My brother followed a very similar career as well, in fact.

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GUEST

So that was very much the foundation for us to get into development out of. So.

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HOST

So that was your route to kind of properties for sure.

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GUEST

Yeah.

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HOST

And then you thought by going to UCL and doing a bit more of a project management course, you can build on those skills. And that opened your eyes up to real estate being far more than just project management and development.

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GUEST

Absolutely, absolutely. I mean, I was always very near mature when I was a child, and I sort of university gave me that insight that I could marry together two things, which is like sort of my love or life plan for development and construction with financial sort of university side of, of that work and real estate finance or the investment side of real estate and buying and selling commercial real estate was quite clearly, obviously became the target career path for me and an occupation which I then went on to pursue for various years with different companies before before setting up the current.

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HOST

And so you experience the consulting piece that AC Harris come okay this and then BP and then what did you do at East. Because that was back in 2016. So you haven't been over here that long. Yeah okay. Part of the business correct. Yeah.

00:06:17:22 - 00:06:37:27

GUEST

Not very long. That was more that a few friends of mine from UCL and Cambridge had gone on to work at these companies and other companies, and prior to joining Cambridge, I reached out and said, look, is there any way I can get some, some, some summer internship experience just to cut my teeth a bit to not necessarily to even lead to a future job opportunity?

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GUEST

It was just more experience that might help me help inform the degree. And it was eye opening. I mean, it was really high octane, really exciting stuff that they do there. If anything, it just spurred me on more to to want to work in that sort of environment. Yeah.

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HOST

To graduate in Cambridge, that MPhil course, a lot of people have got jobs prior to graduating, and it's quite a competitive course as well. Right. And no doubt there's a lot of chat at the pub about who's got what salary, and there's a fair bit of competition. Did you learn a job up prior to graduating or did you do you do a few rounds of interviews, didn't get anything or what did you do?

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GUEST

No, not at all. I when I finished BP, I literally saved up some money during BP and thought, I'm going to, I'm going to leave when I go to Cambridge. I'll use all that money to just pay for the Cambridge degree. And I just thought, let's go for it and keep my options open for what to do after, Cambridge.

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GUEST

I'm sure at that point, yes, it's competitive and everything else, but I wasn't so worried, let's say, about finding a job. I was pretty sure that if I put my mind to it, there would be something out there for me. East Lawrence, I did just before that. That could have led to a potential opportunity afterwards. And that was definitely one of the options that I looked into.

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GUEST

But Cambridge themselves, it's fantastic data, to be honest. There's a if you if you're able to get in there and educate there and everything else getting a job afterwards, they do a good job of making sure that they give you all the opportunities during your time, to, to get access to potential employers and anything else. So that was that wasn't so much my concern.

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HOST

How did so how did Thor come about?

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GUEST

So Thor, Thor came about, I think I actually got introduced because, again, a friend of mine had gone on to work there, and I was interviewing at loads of places, and they had an opening and he said, you should definitely think about a come in for a job interview, meet the team. They were really, really, entrepreneurial, high octane environments, small team, very close knit.

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GUEST

So I definitely, you know, would never say no to anything. So I jumped in, went out. The interview went really well. Did my financial assessment and everything else came back in to meet more senior members of the team. And they said, look, we need somebody, but we need to now. And at the time that was, I think, March 2017, and I didn't finish my degree until July, and I had these ambitions to travel the summer again and have some sort of last gasp, experience to just chill out and take some time off for proper work.

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GUEST

But I don't want to miss a chance. I thought it was a really good place, given that I wasn't a spring chicken in some sense. I wasn't 19 years old. I was now 22, maybe 23, having worked already at SARS and then BP. And I thought, well, this is exactly what I wanted. It's available now. If it means for next few months, I've got to really knuckle down and study and work at the same time for a few months.

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GUEST

So be it. Like, it's that's totally fine. So I accepted the job and then I started working two days a week. Thor in London. And the rest of the time, obviously studying full time for my dissertation year and exams, I think also was pretty intense. Obviously the studying is is hard work. You need to devote yourself to it fully, but also the I think I didn't quite expect the level of work or sort of intensity of the work that those was doing.

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GUEST

So I stretch myself then, but I look back and I think that that was a really good experience for me to really test myself and really force yourself to learn quickly a lot of stuff and sort of advice I give to anybody who's like, just starting out is definitely don't necessarily shoot for a big save name that has a graduate

scheme, and you're going to learn things properly and slowly and stuff on just just choke yourself in the deep end if you can get access to it because you benefit from it later on.

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GUEST

You know, we saw was very much that you there was no hierarchy. It was just like, go for everything we can get your hands on and work until it's done. And if you didn't know the answer, you don't go home until you do sort of thing. And, you know, it's it's a great way. It's just a real life experience of just putting yourself on the front line of doing transactions, like with real people, with real money and everything else.

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GUEST

So yeah, it was it was fantastic.

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HOST

And what kind of kit were you looking at the time? So at the time, Thor was literally.

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GUEST

Focusing on high street luxury retail retail led schemes. So it might well be we bought they owned Burlington Arcade is a good example. Yeah. On the street house, it's the Patek Philippe building on Bond Street. We looked at lots of those types of things also in Paris and Milan, Madrid, Rome, this kind of, key cities with luxury offerings.

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GUEST

And it was trying to try to pick those assets which are incredibly hard to come by, revamp them, refurbish them and whatnot, and then, so sell them on. And it was. Yeah, it was exciting times. I think they've now pivoted quite well into other areas of other sectors of the real estate industry. So into logistics or life sciences and even datacentres and everything else.

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GUEST

So good to see them doing well. And they recognize that retail in all respects probably wasn't. It was definitely not the flavor of the month. A lot of occupiers or buyers or anything like this. So they pivoted away from it, but they still do a lot of it.

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HOST

Yeah, they they own a lot of that haven't you. Don't you. Yeah, exactly. Yeah. I think that businesses built on luxury retailers.

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GUEST

Yeah. Exactly. I mean the, the CEO, the founder of create the business himself was a very successful owner of retail business before he got into into real estate.

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HOST

So you were there for just shy of 18 months, saw equities before you moved. And would you describe them as an operating partner typically in terms of their business, they might have shifted now to raising dedicated funds. But was that, you know, a typical operating partner structure when you there?

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GUEST

Yeah, I would call them just a GP general partner where they would very much source and originate transactions, get them on their offer, get them locked up, and then we'd go out and try and find the capital for a given deal. Obviously we had framework investors that they worked a lot with, on various transactions, but then equally building up new relationships.

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GUEST

So they've got a lot of relationships in the US that they brought with them over here to Europe. But yeah, very standard GP relationship.

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HOST

Then you flipped into PSP. Am I right in saying that that was an early move from PSP to the UK market as well?

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GUEST

Yeah, PSP, they moved over here in I think it was May 2017. They opened their headquarters in Victoria and they were right. They wrote to me on LinkedIn directly and said, look, we've opened our headquarters here looking to build out the real estate team. I think you'd be a good fit for the team. Do you want to come in and so on.

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GUEST

And I was happiest always working hard. So on everything else and then sort of kept getting the emails, kept getting the messages. So I thought I'd give it give it the time of day. I went down and met the team and yeah, exceptional place. A job. So I decided to have a lot of rounds of interviews and very meticulously making sure that I was a good candidate for the team.

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GUEST

Met everybody before I joined. Made the decision to leave for and move to to PSP. And I think for me, one of the major reasons why I wanted to to join PSP was that they were able to give me the ability to look into different asset classes. So like we said, so great in the sense that I cut my teeth for sure in the in that company, I worked for 18 months really intense sort of set equity environment in one given asset class.

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GUEST

Very deep knowledge. And then I took that to PSP and I was covering on the other side of the table now, rather than an operating partner into a traditional LP, which was one thing. But secondly, now looking at logistics, BTR or office sector, you name it, all sorts of stuff.

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HOST

So you joined as a senior analyst, got kind of a promotion and a move at the same time. Yeah. Can you just talk to me a little bit about the three years that you had a PSP kind of deals you did? I know you went to Australia for 24 hours. Yeah, it's probably I don't know if I'm exaggerating that, but I definitely know you kind of got off the plane and then very quickly got back on the plane.

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HOST

And you did that multiple times. But yeah, be brilliant and kind of give me a bit of an overview of the types of deals that you're involved with.

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GUEST

Yeah, definitely. So to PSP they partnered with local operators to do transactions, whether that's through joint ventures. Not very often, but they did also do fund investments putting money into a into a closed fund. My role. So I joined I think it was June 2018, and I picked up, I was assigned to some of our existing portfolios, interested in, you know, I thought it might well be UK, maybe European based stuff, but I was put on to fund the portfolio that we had in China.

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GUEST

Was one of them. Two of them, sorry. One of them. Oh three but a maple tree of, portfolio over the there was something with CapitaLand and also something with, huge, portfolios with GLP. So I was focusing on them. And really for me, that was previously it was mainly for example, for I was doing acquisitions, were buying things and passing them over to the asset management team that thought to to deliver the business back, to get the planning to do all those sorts of things.

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GUEST

At PSP, my role was very much split into sort of you did both acquisitions and dispositions as well as asset management. So your files, you want the GP, but you you had to manage those files from both those perspectives. That was heavily doing a lot of asset management work, which I wasn't used to doing, which was great.

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GUEST

Again, learning new things and so on. So, so.

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HOST

Holding the operating partners to account. Yeah. Making sure they delivered what they said. They deliver on time to budget and doing the second reporting, etc..

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GUEST

Exactly that. Yeah. And they would often put through like sort of requests for major decision requests to change business plans and so on like this. So it's really crucial that you're heavily involved and you've got a good working relationship with the GP because you we were very active in managing our portfolios, which somehow pays the bigger they are.

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GUEST

Typically they become quite passive in some respects because they're just the scale is enormous. PSP what I really liked about them were they were large, big investors, lots of capital to deploy. But equally we were we were nimble in the way that we did our transactions. We when you granular detail about certain things which made it, you know, fulfilling, exciting to understand the assets well that you, you manage.

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GUEST

So what that what that gave me again because of they were Montreal based company. They opened headquarters here in, in London. Everything previously ran from Montreal that brought the Asia-Pacific files to London because it was geographically a bit closer. Yeah. I don't know everybody who was based in London running projects in China or Australia, New Zealand.

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GUEST

So that gave me a really cool experience, to do all those things. And then, a few trips out to China in the first few months to see the assets and meet the partners and everything else was super exciting. And then the Australia Files came over to London, and I was part of those. So that was just some really cool, really well established partners in Australia and New Zealand like Charter Hall, Goodman Group, AMP capital, also big working relationship with Macquarie or Mira.

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GUEST

So that led to then in the subsequent year in 2019, I think I traveled, I think I did 52 flights that year in the one a week on average, and they weren't short haul flights. A lot of them were over to Australia, New Zealand and back to Asia a few times and always come across to Canada as well to come back to the mothership, if you like, twice a year to see the border team.

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GUEST

So really excited. I couldn't couldn't fault it. They. Yeah. No, the travel was great, but the the things we were doing, the people that we were interacting with, the, the cold and our partners, I learned a lot just through listening, just sitting in the right meetings with these very big hitting real estate professionals who you got access to because you're part of an organization that backed them in a meaningful way.

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GUEST

So when you go to Australia and you sit down with Goodman Group, you sit down with Greg or you go to chat a whole and you sit down with David Harrison, CEOs of the companies, are you building up personal relationships with them? You. Yeah, you're learning from them as the way they conduct themselves, their views and outlooks on on real estate and, you know, building that on.

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GUEST

So I gained, I guess, a for the sort of deep skill set. I was technical skill set, BSP was more like I became more like a shape. I like to think that I've got this deep knowledge. And so I've got the breadth from PSP, whether it's from different sectors and geographies and different types of investments. And that sort of made me into my early on, a bit of more of a rounded, I was lucky to have these experiences.

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GUEST

Maybe I did sort of create my own look in the sense I was looking for that indirectly, to sort of get those experiences early on. And yeah, I mean, it gave me a lot of, sort of a lot of breadth of experience. Like I said, you know.

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HOST

Internally at PSP at that time, because that sounds like a hell of a lot experience for someone who's relatively junior and early on in their career, albeit you had 2 or 3 years experience in another sector, and surely there's a lot of kind of transferable skills there and interpersonal skills that you could leverage. Who who are you working with internally?

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HOST

Or, you know, when you buddying up with someone internally? Or did you literally have yeah, you given the trust and you were told to go and go to live and you kind of had to work it out yourself or what was that internal reporting. Yeah. Internally it was.

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GUEST

It was a small team, a really like team of ESP when I was, when I joined, I think it was probably about nine of us. We had our MD, who had it, who had a team. And then there was a couple of senior directors and some, some managers. And literally I was the only I was two senior analysts to associate.

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GUEST

So the way it worked was typically you'd have a director and an associate or a senior analyst, and then that was it to the other deal team. And then you would report to your senior director, and then that the three of you would assess an opportunity when it came in, you would do all the all the legwork, produce the papers and go over the the model and discuss everything with the GP before bring it to committee to present it.

00:20:43:19 - 00:20:59:22

GUEST

And then the three of you, once it got approval, you would crack on and actually go ahead and acquire that project. And that would be repeated time after time and worked in I worked very closely with a couple of members of the team to do lots of various things, whether it's acquisitions, dispositions, all the asset management and whatnot.

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GUEST

I think me, the responsibility I had in the asset management side of the tasks was I had more responsibility. And in terms of I was the one doing all of the actual work, and then it would be sent for clearance. The delegated authority member acquisition side was a huge team effort between a small team, but a huge effort.

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GUEST

So I guess that's how we got to, you know, got this ability to take on more. And if you were willing and able to do more that was always there for you to do that. Definitely. It was you know, it was sort of encouraged for you to keep going. And to the extent that you want to or able to this, there's more work for you to do.

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HOST

PSP don't write small tickets. What tickets do they normally write, and what would you say the typical kind of hold or business plan period? Is it from about 3 to 5 year value add opportunistic type ticket or did it varied given the scale of it?

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GUEST

Yeah, I think they they weren't short track mind at all. I think the the ticket size was big. So it was normally probably a 100 million minimum per ticket. And it was the business was very focused on, on the partnerships that you were working with. So it wouldn't be like if partner came and of a great one off deal.

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GUEST

Do you want to do it? It would be less attractive if there wasn't the ability to continue to build out a thematic business plan or portfolio with that partner in that sector and that tography kind of thing. Yeah. So that meant that, like, maybe they could do smaller tickets if they knew that there would be ten of those small tickets to aggregate something bigger.

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GUEST

Whole period. Definitely wasn't sure. You know, we were happily billed to call often we would say like, oh, let's do a portfolio to build a BTR portfolio that I set up with, in the UK here with, a partner for Long Harbor. So they came we, we've onboarded them as a new partner. We funded the first projects, opened Tottenham Hale, and then we did far more with them.

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GUEST

It's gone on now to do I don't know how many, but it's it's growing massively and that was very much a ten year business plan. Let's let's buy the land. Let's build these building that's lease them out. Let's refinance them. Let's hold them. Let's think about the exit being an IPO or the exit being a portfolio sale. It wasn't a isolated oh let's, let's let's do an IRR on this one building and trying to flip it in three years time with PC.

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GUEST

It was never the case. Not short term. The sort of mindset which is very much was Thor's business plan. By sell it was more buy at aggregate scale. Either we hold it or will refinance it or sell it.

00:23:22:06 - 00:23:43:16

HOST

So you had PSP for just over three years. What what prompted you to leave that business? Because clearly you had an envy envious job by probably lots of accounts. You know, a hell of a lot of exposure, lots of responsibility. Appreciate the travel. Novelty probably wore off relatively quickly, but you're at the top table with some seriously impressive people on a global basis.

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HOST

What what prompted you to leave that environment where you probably had a lot of trust? That's probably a good plan. You could probably see the MDS and senior people ahead of you earning some serious cash. What prompted you to leave that environment and and decide to that your business?

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GUEST

Yeah. Good question. When you say like that kind of worried about the wrong choice now. Joking I think I think Covid had a big role to play in it, if I'm being honest. I had like I had the most amazing time PSP, absolutely unbelievable. People are amazing and so on and I think Covid. I moved home to Lake District.

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GUEST

I work from home sort of back into the house with my with my mom, my brother, and I think they saw me physically working to whatever time and just devoting my whole life to the job, and they knew I was doing that anyway, because I was only taking phone calls early morning or late at night to them, to them and everything.

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GUEST

But I think it hit home a bit and I thought, yeah, maybe, like maybe there's more to it. Maybe I could look in to do something else where I can have a bit of a different work life balance, if you like. And I think that was a Covid thing. A lot of people reflected on on their lives and what to do.

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GUEST

But I love the industry. I loved what we were doing a PSP and I just fell at that point. Now it's a good time for me to break away and do something of my own, which I, you know, was it was obviously an ambition I had always to do. I think a lot of people say that. A lot of people think that, and I do.

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GUEST

I'm not, you know, I'm not blind to the fact that Covid gave me the additional courage. If you like to take that plunge, it's not an easy thing to give up. I'm such a good foundation that you've built yourself a career that you've always wanted to have and everything else. I had it, and I decided to leave it, to go and pursue something on my own.

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GUEST

So I think Covid was the catalyst. And also having this exposure to these, these sort of sectors and people in particular that we're working with at PSP, a lot of that was in logistics. So I said GP, Goodman Group, I was on the final, but there was a massive relationship with Sega and it was very obvious not just from my time at PSP, but very obvious that logistics was the flavor of the month before Covid.

00:25:52:24 - 00:26:05:00

GUEST

During Covid, that was just rocket fuel and that was going nowhere. And so I thought looking to do something with obviously with my my business partner Max who, who I met up for.

00:26:05:01 - 00:26:08:17

HOST

So you work with him at Thor. He was another analyst kind of same time that you were.

00:26:08:23 - 00:26:28:22

GUEST

Yeah, exactly. I think I don't want to jump around, but that's how Max and I met. We met when I joined for. He was already there. We became really close friends, probably from working super late together every time and helping fix each other's problems and, you know, deals. Really close. I left PSP, he stayed on, and, yeah, from then on we were just best mates.

00:26:28:24 - 00:26:53:08

GUEST

And he was in a similar position actually in Covid he left or he was working with the family office. I mean, he sort of said, look, I'm, I'm thinking about maybe like getting our heads together and doing something. And I said, you know what? Ironically, I've been thinking the same. So that's how the birth child started. And then I said, look what I've been doing a PSP and this is my opinion of, of, what I've been learning from all these people, his experiences.

00:26:53:08 - 00:27:10:22

GUEST

And he, he sort of complemented that with his. These were different, very different people. I must have met Max and I would do complement each other massively. Well, we bring things differently to the table and I think that helped. We spent lots of time. I hadn't yet left PSP. This was I'm talking now when we sort of got together.

00:27:10:22 - 00:27:17:09

GUEST

I was on his terrace in Notting Hill when barbecue, you know, April 20th, 20 or something. Middle of Covid.

00:27:17:12 - 00:27:24:11

HOST

In lockdown when you when you're in lockdown, when you when you could see like one one friend you know have a bubble. You can see them outside.

00:27:24:11 - 00:27:45:00

GUEST

Yeah. I actually think this is when you are allowed to do that. So maybe it isn't that naughty, but we yeah, we had this idea. We sat there, we thought, let's do it. It's not really like point to to get started. And then I didn't leave PSP for another year. But I said, look, let's in the background, quick thinking about what to do all the way through to the rest of the 2020 and then got to 21.

00:27:45:00 - 00:27:55:07

GUEST

We were like, let's do this. And Max had started full on full time during his time into Lucre Capital, which at the time was called Black Potch Black Box. Black box. Yeah, it was because.

00:27:55:07 - 00:27:57:09

HOST

His surname is bottom. Bottom.

00:27:57:12 - 00:28:15:27

GUEST

Yeah. So we said, look, we need a name. Let's just give some some name. So mom is Blackburn bottom black bottom. So it was really cool actually. And we still have still have it set up, but we had black box going. And at that time we were looking into many things to do. We were saying, look, you and Z zone was going to grow.

00:28:16:00 - 00:28:42:17

GUEST

We thought something creative was a do down in this, in this space. There was an idea to try and buy car parks just on the inside of the north south circular, which we believed would become redundant, or south for farmers, or less usage on them because people would no longer be just driving over the north south circular to park their car when they've got to pay 12.50 pounds day to do so, we thought, great, let's buy this car parks.

00:28:42:19 - 00:29:03:14

GUEST

When the United Zone grows, we can. We've got a strong claim to the council to say, look, give us change of use to residential because your your mandates have made our business, irrelevant. Yep. And then ship that to a developer or something like that. So we had this idea we, we looked into lots of opportunities trying to dig away with our network and find car parks.

00:29:03:16 - 00:29:22:08

GUEST

We actually came across a class A car park, an opportunity in Stratford. Somebody renew explorer colleague, a relation of Thor and said, well, we heard you wanted to try and buy some car parks. We've got a great one in Stratford. It's not actually car park, but it's going to become one. But, that's not what we want to do.

00:29:22:08 - 00:29:46:09

GUEST

But anyway, should be on the phone. So what is it? And I said, yeah, it's an EV charging hub. It's going to be electric vehicle charging hub for commercial vans. And just like that doesn't that doesn't make any sense. I don't even know what you're saying. Anyway, it's not exciting. So we looked into it and then it ended up we really, really tried hard to buy this thing, with this sort of affordable, if you like, or this agreement to then go on to build out an electric vehicle charging hub.

00:29:46:11 - 00:30:10:17

GUEST

It didn't go ahead because the occupy had said the site's too small. Actually, we need more space to park vans, and that sort of blew our mind. And it sort of for everything, like a light bulb moment for us, if you like, put everything into perspective in the sense of hold on. We've always been like doing lots of work into like parking and vehicles, storage and everything else in the right locations.

00:30:10:17 - 00:30:37:06

GUEST

And we always had this love for logistics and recognition that there's the tailwinds behind the movement towards becoming net zero. We're going nowhere. And it was more than just brainwashing now. It was becoming a very relative and actually super important concept of real estate. And then there we had it for right in front of us. If you like this sort of proof, this need for storage of vans and especially electric vans was real.

00:30:37:06 - 00:30:56:13

GUEST

So we took that away. We thought what just happened? Like, how does this what does it mean? What does it make sense? Let's make sense of it. So yeah, lots of work and recognize that, you know, people talk about warehousing and logistics space and there's this massive supply demand imbalance of it still huge, huge demand for warehousing. And there's just nowhere near enough of warehousing.

00:30:56:15 - 00:31:17:11

GUEST

And a warehouse means a shed with a yard, 55% side coverage, a big shed, big yard. And that yard is for HGV used to come turn, turnaround, leave. Yeah, maybe have some trailer parks and there some open storage in the summer. But most of these warehouses are occupied by parcel delivery companies. The last model anyway. You know, three PL companies or online retail.

00:31:17:13 - 00:31:42:11

GUEST

These people have massive fleets, huge fleets that take those bulk goods dropped off during the night with the wagon, take them to the customer's door in a van. Those vans are diesel. And whether they like it or not, you having to transition away from diesel into a decarbonized, vehicle, which is, quite frankly, just electric, the only option that's viable at this stage and that's driven by UK regulation in 2030.

00:31:42:18 - 00:32:03:14

GUEST

You know, there's from that point onwards, you cannot buy a brand new diesel or petrol powered vehicle in this country. And that's only seven years away. And even that aside, a lot of these blue chip super companies have got corporate social responsibility. They're pledging to do the right thing sooner, way before that regulatory cut off. And thirdly, actually makes sense.

00:32:03:21 - 00:32:23:06

GUEST

It makes financial sense not to transition because it's cheaper. Cost of filling a vehicle per day is what is it now nearly two part a liter still. So you're talking like you're doing a fair amount of miles a day. It can be 50 pounds a day to fuel a vehicle versus if you charge in that van during a night time on a seven kilowatt charge, it can be 7 pounds, 8 pounds.

00:32:23:08 - 00:32:29:21

HOST

That's on a 25 liter tank. I mean, surely these tanks are 100, 100l, you know, £200 plus. Yeah.

00:32:29:24 - 00:32:52:23

GUEST

I mean, it's astronomical. I mean, it just makes commercial sense as well. So with that in mind, I think the problem for these occupiers is not getting the vehicles they can buy, the vehicles that can make the vehicles from, from anybody. Mercedes are churning them out. Ford, you name it, they've got it. It's very much that they don't have the on site space required to retrospectively charge all of these vehicles.

00:32:52:26 - 00:33:15:25

GUEST

They only have the yard which they need for its various uses up. They've always had to it. They can't rely on public infrastructure because it's not designed for that. You know, it's designed for private individuals with cars, lambos, chargers and so on. And they don't have even if they have the space on site, they haven't got the cash to develop out a charging facility that operationally driven companies, they don't have capital to deploy.

00:33:15:27 - 00:33:42:12

GUEST

And again, the concept of getting the power connection to a site could look like it's extremely difficult. In London in particular, like West London is zero. And in other areas, if you want it, you can probably get a you wait for it and the UK, you, KPN or whoever the relevant DNA is, they'll give you the point of connection, but it might well be three kilometers away and you have to dig up on a road in London, three kilometers to lay the cable to bring it to your site.

00:33:42:14 - 00:34:08:11

GUEST

So it's it's difficult. It's very difficult for them. And, they need a private training facility if they don't have it, though, operationally, those vehicles, there's a big risk that they won't be fully charged. They will run out of charge, they won't be able to deliver their parcel and so on. So the problem that they're having is that they they can't transition quick enough because they don't have the ecosystem to charge and ensure their ability to charge is vans.

00:34:08:11 - 00:34:14:21

GUEST

That's what our whole mission statement is, is to sort of help them accelerate and enable them to transition.

00:34:14:24 - 00:34:16:08

HOST

Remove that bottleneck for them.

00:34:16:08 - 00:34:36:10

GUEST

Exactly, exactly. And our product, it's very similar to I know you had Phil Phil Paris on the podcast last year with the Infinium logistics. What a lot of what they do is obviously very correlated. What we do in that we what we do is we're building EV charging hubs for commercial fleets in close proximity to where they operate.

00:34:36:14 - 00:34:55:19

GUEST

So right next door to their warehouses, Infineon are doing a very similar product. And we we today have got we bought two sites in our first year. So we, we formally set up, as I mentioned, I think I finish up in August 21st. Max and I sat down in Munich together day one his house and said, right, let's let's go.

00:34:55:21 - 00:35:08:23

GUEST

Got bought some laptops, put up, put an Excel tracker together with all the phone numbers of all the people we thought might be relevant, and just sort of ringing them all and saying, want to get coffee?

Catch up, I've left PSP, I'm doing this. I'm sure you can help out, which I can help you. Let's go.

00:35:08:27 - 00:35:15:25

HOST

So you'd kind of worked out what you were targeting, what you're looking for. You kind of identify that bottleneck and that's what you pinned your printer business on.

00:35:16:01 - 00:35:43:28

GUEST

Exactly. Yeah, exactly. And it's very simple. I mean, what we're doing is something extremely focused in that we are buying land, commercial land, employment, use land in these existing clusters of gateway cities in the UK. So we started in London. We're based in London, biggest, biggest city, biggest demand and everything else. And we target locations like Anfield, which is like the premier last mile cluster of of London, north London.

00:35:44:06 - 00:36:11:14

GUEST

We, we bought a site, the recently in October for exactly our use. We, we bought a site in Belvedere which is the southeast London last mile cluster again in that in that void between the M25 and in north South Circular, where where the majority of the last mile clusters are, you can look at London almost like a clock, like you have Enfield, you've got parking area Dagenham, you've got Belvedere, Croydon, all the way around to Hayes, you name it.

00:36:11:14 - 00:36:35:27

GUEST

We're looking at all these locations and the ambition is very much to we buy these pieces of land anywhere from one of two acres all the way up, 2 to 5, seven acres, and we build out, more often than not, a multistory. We've tried to store anywhere from sort of 500 plus leaves, like commercial vans each day would have a designated charger in it.

00:36:35:29 - 00:36:48:03

GUEST

That would typically be a slow charger, so that those vans during the daytime, they're off doing the job of dropping parcels off at night time. They come back the drive, plugs it into charge and leave the the hub.

00:36:48:09 - 00:36:51:29

HOST

Like a 22 volt. It's seven kilowatt. It's a seven kilowatt.

00:36:52:00 - 00:37:09:08

GUEST

Yeah seven kilowatt. And the benefits of occupy I guess is that they during that period of time. So at the end of the shift, let's say 8 p.m., the vans left, the last one gets dropped in the hub and then they leave that, that that 12 hour window time in the night time from 7 p.m. to 7 a.m. is is the nighttime tariff.

00:37:09:10 - 00:37:26:24

GUEST

So the actual cost of power usage during that time is cheaper because everybody is asleep and nobody's using the grid. That's true on the grid. So cheaper per kilowatt. So it's also a great way in the sense of saving money, that the vehicle will charge and not put any strain on the grid because it's charging when the grid is not in use.

00:37:26:26 - 00:37:54:19

GUEST

And we do have we have a big believe is what we're doing huge, humongous believers in it. And we

envisage having, you know, a blue current hub or EV charging hub in every one of them, in every single major industrial cluster of the UK, from London to Manchester, Birmingham, Edinburgh, you name it. And what we're saying is some occupiers are putting charging into the existing facility, but you could only put a handful in 2 to 10 maybe, and that's great.

00:37:54:19 - 00:38:16:19

GUEST

It's a bit of a greenwash in some sense that it helps, but it's no, it doesn't touch your sides in terms of filling the entire fleet to decarbonize and existing landlords, or are a bit reluctant, if not entirely reluctant to, to retrospectively build out sheds with charging hubs because at that point they they're hamstrung in a sense that.

00:38:16:19 - 00:38:36:11

GUEST

Right. If, if a DHL or DPD or somebody takes a lease in it, fantastic warehouse and a charging hub, the list revealed. If DPD leave a Netflix show up and say, hey, I'll lease the warehouse, but I don't want the hub, the, the, the curtailed the leasing ability because not all the warehouses at least, parcel delivery companies.

00:38:36:11 - 00:38:43:10

GUEST

So you can't go around just building hubs with sheds all the time because not every shed needs the hub. You see what I mean?

00:38:43:12 - 00:38:47:21

HOST

So you and Max, in his flat in Germany, he's from.

00:38:47:21 - 00:38:48:24

GUEST

Germany, eastern Europe.

00:38:48:24 - 00:39:03:13

HOST

You know, it's turned around and bought a couple of laptops, chucked a bit of money, some savings into a shared bank account, put up your Excel spreadsheet and start calling through people. It was one of the first calls. How are we going to finance this? Or do you find a deal first? You know, is it the chicken or the egg?

00:39:03:13 - 00:39:04:14

HOST

How do you go about doing that?

00:39:04:16 - 00:39:26:03

GUEST

Yeah, exactly. So I think we Munich, we actually went to his family home is that we sort of went there off site. De Boer came back and it was we worked from Max's kitchen in his house in Notting Hill for basically forever, but 18 months. And that's exactly right. You know, day one was, okay, let's let's get our mission statement together.

00:39:26:03 - 00:39:45:16

GUEST

Let's get our, our sort of narrative is what we're trying to achieve out there and pick up the phone to a lot of investors that we've got to know over our careers before we found opportunities. You know, just get this warm them up to the idea. And we met with many, many a person, many from anything from farms to

high net worth family offices, all spectrums of the capital stack.

00:39:45:22 - 00:40:07:11

GUEST

And everybody expressed huge support for it. They understood it was crazy tailwinds behind it. They all got it. A lot of people still look great. Come back to me when you've proven the concept because it's it sounds great and everything else is fantastic, but there are obvious roadblocks to it that haven't that other sectors are going that don't have.

00:40:07:11 - 00:40:29:03

GUEST

For example, you need a lot of power. You need to potentially pioneer a new planning asset class, or you need to change use sometimes. So, so generous. So what we did was we had a handful of trusted, high net worth investors and family offices that we got to know extremely well from our careers all through through other networks.

00:40:29:09 - 00:40:48:00

GUEST

And we together with them, have funded our first two transactions. And we're now on or off or on, two other transactions also here and, well, just London and just outside of London. And that's something that early on we, we made a decision to stick with. You know, we're playing the long game here, the current capital. We want it to be around forever.

00:40:48:00 - 00:41:11:05

GUEST

Want to grow the business organically. And that is from anything from the office and the staff headcount all the way through to the capital that supports us. So we've got at the moment some really innovative, really supportive backers who funded the first to do. And those two deals are effectively our, chances to prove a concept. So we've we're using them.

00:41:11:05 - 00:41:35:14

GUEST

We bought them fantastic sites in Enfield Belvedere. Put the planning in there. So we get that back this month. And we've gone out to speak to all the various occupiers on it and everything else. And I think on the back of that, to the extent possible, we want to continue to work with these families, but we equally at one point might have a disconnect in the Senate and a sense of we want to scale and organically with scaling.

00:41:35:19 - 00:42:03:02

GUEST

Well, 2023 here we are now in January. By the end of this year, we want to do five plus deals, 5 to 10 deals and to extend that, they can continue to support us. Absolutely. We will do it with them. But equally, we are cognizant of the fact that our organic growth will kick in at one point in this year, and we're minded to now start to reignite those discussions with the institutional capital providers.

00:42:03:04 - 00:42:21:20

GUEST

And at the same time, we've proving the concept more. So we're probably more now aligned in terms of working together. We've we've kind of like improving our ability to originate transactions, to close transactions that raise financing rates, that do the planning. And we want to continue to do that and scale out quickly. So so we have come talk.

00:42:21:20 - 00:42:26:12

HOST

To me about the first couple of deals. How did they come about. Yeah. So the first to we we.

00:42:26:12 - 00:42:45:06

GUEST

Introduced them through the agency network. We know a lot. We know all the all of the right people. We've got the phone call. The first one was Belvedere, southeast London. It was a seven leased back to a Turkish haulage company. Great great little site with about two years of lease income on it. So we thought perfect can take us a couple of years to get the power and planning.

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GUEST

It's hitting them up in a fantastic location for us. We love that area right in the heart of the all the big operators that we want to be targeting located there. So we put a bid in, shortlisted right through to the to the second round with Seagrove. So Seagrove had a massive not long prior to to the opportunity, I think three months prior they bought 20 acres of land in the in the submarket, literally.

00:43:09:26 - 00:43:27:06

GUEST

We didn't even realize at the time, but literally bordering the site. And great. We thought, well, we're going to seagrass. That's totally fine. Expected it. We're gonna have to lock horns with these kind of characters at some point. So we pushed hard. We won the process. Not by like big numbers. It's quite incredible, in fact, that they selected us.

00:43:27:06 - 00:43:34:11

GUEST

We thought even if there was a couple hundred thousand pounds delta in our bids I was setting, I probably would have still gone with Seagrove because.

00:43:34:11 - 00:43:41:03

HOST

They owned everything apart from this one small part. Right? So it's like a final key or piece of the jigsaw for them to unlock a big scheme.

00:43:41:05 - 00:44:02:29

GUEST

Yeah, exactly. And they're a world's largest REIT. Very credible execution risk would be nil. But then we were new kids on the block, but we were paying a high price. So we went on we we got it locked up. We did it. They got rid some debt, bought the property and then we got a phone call from an agent who represents Seagrove saying, who are you going to end up?

00:44:02:29 - 00:44:28:27

GUEST

You spoil our lunch. So I said, oh, well, then realize. And then we did. We, we did try to buy the site next door, which came on online very shortly after. I think Segal set a record price for the period before when they bought the 20 acres we came in, we bought for a fair price, our price. The guy next door came on and we thought, perfect, we can quickly buy that amalgamate a really good ownership down here, which is only going to strengthen our case.

00:44:28:29 - 00:44:46:26

GUEST

Segal also shot up, again, it bought their site and everything else. And this time around they weren't they weren't playing games. So they they blew up the water. But it was such a fun experience to think, you know, six months prior I was working at PSP. We have partnerships with Sega and these kind of these kind of companies.

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GUEST

And then here we were outbidding them, beating them on on transactions that, you know, if someone had just said, do you think you would beat Seagrove sometimes or you think you'll be able to compete with them? And I would have thought like, oh, that's nice to think, I'm able to do those kind of things, but amazing what you, what you can achieve.

00:45:04:07 - 00:45:26:27

GUEST

It's, you know, it's just that's the whole beauty of sort of going it alone and just just putting your best foot forward and everything else. There's so many inefficiencies that you can take advantage of by being small and nimble, that bigger corporations, just from sheer size and bureaucracy and everything else, aren't necessarily able to be that agile. And that's proven really valuable to us.

00:45:27:00 - 00:45:46:16

GUEST

That was obviously, well, how we were able to even get out there. We could move, you know, on a sixpence. Whenever we were asked to do anything, we could make a decision there and then go for it straight away. So that was super exciting, really amazing. And then on the back of that, we've got a lot of a lot more interest from the from the agency market and what we were doing our, our whole business from side to side to make sense.

00:45:46:16 - 00:46:10:04

GUEST

People thought, wow, you guys are like new kids on the block. You've got a really cool business plan that enables you to compete with these people. Yeah, exactly. We want to we want to keep going, to scale. We want to get the right kind of sites. And that got us off market opportunities. Again, a very similar situation. And our second one in Edenfield was a set of leased back to private individuals selling the selling their site was a scaffolding yard.

00:46:10:04 - 00:46:36:17

GUEST

And he that the person selling that just rang up the the broker in Enfield. It was very well known broker. We've been around Enfield for for decades. Not not a big shop is sort of a one man band style and again, were around that on some land nearby and everything else, and I don't know exactly how it happened, but we got a phone call via one of our agents that a lot of you, a really good chance, really good odds of buying something in Enfield off market.

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GUEST

Nobody knows about it. I thought, well, yeah, right. That sounds amazing. And that was really again, only on the back of being, you know, doing what we said we would do, executing about it quickly, being agile, being really, you know, having conviction what we're trying to do and just proving like giving the area of confidence to the agents.

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GUEST

The agents are very much but not licensed the industry. They find the deals, they decide who to pass on to and everything else. So we're really focusing on treating these guys very well. Actually, the so far we've had the best sort of experience with everybody we've worked with has been they've been great for us and and that's allowed us to get deals that aren't marketed.

00:47:14:21 - 00:47:35:22

GUEST

You know, I'm not in our first year for two deal to do our second deal truly off market is something that's you know, that as itself as a as a value add proposition to any investor is incredible to be able to get

access. That's sort of a reason why somebody should look into doing things with us. It's because we genuinely can add alpha in that sense of because we have these formulations, because we're on the ground every day.

00:47:35:28 - 00:47:50:28

GUEST

We can dig things up that there's no brochure there, you know, there's no there's no material. It's just do would you be keen or not? Do you want to come tomorrow and meet the owner on site? Yes. Fine. Great. That's sign the best paper. Okay. You go for weeks. Go away. Do. You did it. So. Yeah. It's been.

00:47:50:28 - 00:47:51:28

GUEST

It's been fantastic.

00:47:51:28 - 00:47:59:15

HOST

So you're not still in Notting Hill in Max's kitchen. Where. Where's the business now. And yeah. What are your kind of plans for 2023.

00:47:59:16 - 00:48:20:03

GUEST

Yeah exactly. We we moved out of the kitchen. I think it was November last year. So we opened up the office on Golden Square and Soho, just before the break of the year. Great move. Fantastic to have our own space. We've got, like, a 3 or 4 person desk office at the moment, but the ability to grow into the room next door as well, and that was pretty much exactly.

00:48:20:03 - 00:48:39:20

GUEST

We want it to be at the end of our first year sort of some transaction, about some planning permission is going to open up the office and then create a roadmap for, for the growth in 2023. This year. Ambition is very much to grow the business in terms of headcount, and that's concurrent with growing the business in terms of assets in the management as well.

00:48:39:23 - 00:49:19:05

GUEST

So we have the two deals most likely to have three and number four before the end of the quarter, definitely needing headcount. So I think we're in the market and we pick up the phone to yourself very soon, no doubt to discuss possibility of looking to get various roles in particular somebody with the asset management, development, management capability, skill set and also support on the transaction side, analytical role, relatively junior role, potentially sort of graduate level to support on the underwriting and, creation of the TES and the memos and so on that represent to the investors ideally want to be to, you know, again, in this whole concept of growing organically and being

00:49:19:05 - 00:49:35:28

GUEST

a relatively frugal business at the start, all of the all of the money that's one of the business has been personal savings. So Max and I, we throw from the kitchen sink at it, quite frankly. So I think we want to grow to, let's say, five people by the end of this year, 6 or 7 transactions under the belt.

00:49:36:05 - 00:49:39:07

GUEST

And, and take it from that, it's.

00:49:39:09 - 00:49:58:12

HOST

Yeah, an incredibly exciting time. And like you said, there's a lot of tailwinds behind this particular sector. You touched on Infinium earlier and there's a few other businesses, a Roy sniffing out deals in this type of space. I think you mentioned earlier of microphones, initially, yeah. You kind of came to this realization without realizing anyone else was in the space as well.

00:49:58:14 - 00:50:03:02

HOST

But the fact that other people are playing in it has given you further conviction that what you're doing is the right thing.

00:50:03:08 - 00:50:26:23

GUEST

Yeah, definitely. I think Infinium are a very correlated company to us doing the same thing. There's definitely other people out there doing EV charging for commercial fleets in different ways, and we're very cognizant of the fact that charging of electric balance isn't just going to be in a blue current, hot, an ecosystem of charging. There will be people on rapid chargers, on driveways and depots and so on.

00:50:26:25 - 00:50:50:28

GUEST

When we came across other people doing it, it definitely gives us just added conviction in what we're trying to do, and also confirmation that we're not crazy, that other people are also seeing what we're seeing and recognizing that this is a genuine asset class. It's in its own right, and it will become one. And whether or not everybody sees that today, every day that goes by, we get closer to closer towards 2030.

00:50:50:28 - 00:51:10:20

GUEST

And, you know, if you fast forward to a position in 2029, let's say, and you're a and you're a fleet operator, in the last mile and you've got these lands, what what will you do? Like you have to transition you you can't go on to all new vehicles that, that are not diesel. So at that point, it's too late.

00:51:10:21 - 00:51:29:03

GUEST

You know, we we're getting ready for that window for the handful of years to come before it becomes extremely relevant that this asset class in this sector makes complete sense of the fact that other people are doing it. Is this music to our ears? You know, we consider them very much as peers with those first movers and what we're trying to create here.

00:51:29:05 - 00:51:52:11

GUEST

I think if you if you think of like threats or competitors to what we're doing, our initial outlook was people like Sigma or people like Goodman Group. You know, I've mentioned that I used to meet often with Greg Goodman himself in Australia. He's a very innovative God. He has done many a EV charging hub for Amazons of the world and so on already, albeit an opportunity that they they've probably asked him, hey, can you build me some?

00:51:52:18 - 00:52:08:16

GUEST

The answer's always going to be yes, but doing that on a more of a build it and they'll come basis. They probably haven't got to that place yet, but that's because there's just so much low hanging fruit for these guys to build. Continue doing sheds very well. But they'll they'll pivot. No doubt and start to do it recharging.

00:52:08:18 - 00:52:26:10

GUEST

And again, at that point we want to make sure that we're ahead of these companies because they've got

the relationships, they've got the land, they've got the skill sets and everything else. But one thing that I think the first movers in this space have got the advantage of, so that's ourselves and potentially for some others, is that it's hard to buy land, to buy logistics land in areas like London.

00:52:26:10 - 00:52:43:18

GUEST

It's very hard. And we've we've managed to do it twice and it's not been easy. It's not a walk in the park. But what's also equally hard is getting power. And I don't think anybody's really thought of that yet. But the price of a two acre site in Enfield for logistics is, what, a 10 million pounds an acre lot say.

00:52:43:20 - 00:53:01:01

GUEST

If you have that site and it has a 5 or 3 MVA connection to it on the doorstep of that site, that's worth a lot more than the neighboring site, which is the same size but without the power and, you know, we we have, both of our sites being able to get those power connections to the sites already.

00:53:01:04 - 00:53:22:20

GUEST

It's it's a, you know, it can be very costly. Enfield we managed to get it relatively efficiently and it's it's made that business plan now so strong in the sense that we have the we own the land. We have this fixed connection of three MVA on the doorstep of the site, and it enables you to do things that if even if somebody else wanted to try and build a charging hope and until they don't have the power.

00:53:22:26 - 00:53:25:01

GUEST

So it's extremely hard to replicate.

00:53:25:01 - 00:53:32:29

HOST

So can you because of what you're doing in your knowledge, you can write shopper shopper prices, then maybe what other traditional shed developers would.

00:53:33:02 - 00:53:49:14

GUEST

I think in some respects you can whether you would need to, though. I don't think so, especially in the way the market is right now. And it's often if you have additional ways, if you think your you have a higher and better use of that land than that, then there's just a shared. It enables you to be able to effectively pay more for it.

00:53:49:18 - 00:54:07:03

GUEST

And you know, Q1 last year we were having to make use of that knowledge a little bit to sharpen our pencil to make sure we could beat this logistics up. Right. Today's world is very different because it's it's a force of tomorrow. You can't get the financing to support transaction purchases. Question mark, whether yields are going to go and everything else.

00:54:07:03 - 00:54:29:24

GUEST

So pricing is already soft. So for someone like us and our in-house view is very we think long term, you know I think great let's it's turbulent at the moment. But if we stick to our conviction of what we think we're doing and we believe in it, and it's recession proof to some extent, you can't slow down the need to to hit net zero, and that means you need to decarbonize transportation.

00:54:29:24 - 00:54:48:12

GUEST

That means you need charging facilities. So and they need to be in the right location. So we're continuing to buy the land. And if you can buy a discount to where it was there's no need to flex this. There's muscles around. Oh we could we could in theory pay more because we have the power. Keep that up the sleeve and actually try to buy at the best space.

00:54:48:12 - 00:54:51:18

GUEST

It's possible, just because the competition is not.

00:54:51:20 - 00:54:55:05

HOST

What's been your biggest learning since setting you can't capture the.

00:54:55:06 - 00:55:32:17

GUEST

Biggest learning has definitely been how real estate is a very people driven sector, an industry in the sense that you it's important to make sure that your personal brand is strong and that you have a good hold of the market and the right people in the right places, and so on, because opportunities that have come to us have largely been through our networks, and more often than not, a casual coffee with somebody has led to something material or the most sort of off the cuff conversation that has just snowballed into something real.

00:55:32:22 - 00:55:51:05

GUEST

And working at companies like PSP. And so when you're an employee, you don't you don't recognize that, are you? You're not in those environments where that can be a realistic thing for you because you have your you have your role to play, you have your position at the company. And that's something I've, I didn't didn't expect to be honest with you.

00:55:51:05 - 00:56:03:25

GUEST

I thought it would be a bit less, inefficient. We've been able to really if you if you if you want something, you can definitely speak to people and try to get a hold of it. So it's been a real eye opener and have been really sort of fun, to be honest. More than anything.

00:56:04:00 - 00:56:21:20

HOST

You mentioned you've got aspirations to grow headcount this year. Someone who's listening to this podcast, who is captivated by what you and Max are doing and wants to be part of, part of the journey. What are the traits, values, qualities that you look for when hiring or the people that are around you that they need to possess? I think what.

00:56:21:20 - 00:56:40:01

GUEST

We're we're very cultural driven in the sense that we want to make sure that the team is it gets on as a friendly in family sort of environment. More so than anything. I think that's for us is. But collaboration is very key for people to join who feel at home and are comfortable enough to challenge things and express themselves and bring something to the table.

00:56:40:05 - 00:57:05:22

GUEST

I think I mentioned earlier that Max and I are different personalities and that's been hugely beneficial. We challenge each other constantly on everything, almost probably more me than him. I'm sure he's sick of it, but, that's productive, you know, and it's enjoyable. And people who, you know, obviously have a want to be to learn detail and work hard and, and, and build technical skill sets.

00:57:05:24 - 00:57:31:14

GUEST

But equally, somebody who is passionate about what we're trying to do, you know, we're real estate company. We we have fiduciary duty to our investors to make them a financial return, full stop. That's our job. But that isn't to say that we're doing things to compromise our overall ambition, which is we're we're trying to are not to sound cheesy, but like, we are trying to actually stop the temperature rising like we want to leave the world in a better place.

00:57:31:14 - 00:57:47:10

GUEST

And I'm sure everybody does. But it's nice to know that what we're doing actually correlates strongly to that, in the sense that we're taking every every van, that every van facility we build and stores a vehicle. And it is another days of vehicle off the road, which is fewer missions, which is less strain on the climate and so on.

00:57:47:10 - 00:58:00:13

GUEST

So that's always crucial on key to never forget those sort of that core principle of it. And I do feel that to this generation coming through now is far more aware of those things than you or I were or the generations prior to as well as well.

00:58:00:13 - 00:58:15:12

HOST

So as we draw to a close here, I know that you've got some very strong financial backers and you do have an ability to raise capital or a fund if you do want to, although you're not choosing to do so at the moment. But if I was to give you 500 million pounds worth of equity, who are the people?

00:58:15:12 - 00:58:18:01

HOST

What property? In which place would you look to deploy that cash?

00:58:18:02 - 00:58:35:07

GUEST

500 mil, I think I would. I mean, I have some personal sort of people who I admire big time in the real estate world and everything else, and not even real estate, but just general investment environment. And they're they've all got like quite a common theme of being black sheep in some sense, like going against the grain and doing things.

00:58:35:07 - 00:59:04:22

GUEST

Oh, well, I guess what I'm trying to say is I like people. I believe in people who stick to their convictions even when when times get bad. So people like Ray Dalio, obviously huge, big heavyweight who's well known for that kind of stuff, equally like Howard Marks and so on. These people who who unlike the common herd of everybody, to be honest with you, we all get nervous when when you see that there's a recession looming or interest rates going up, it's your human instinct to sort of tighten up and, and, and question everything you do.

00:59:04:22 - 00:59:24:19

GUEST

But if you don't forget the fundamentals and you just can't continue doing what you expected, what what you were doing, and just forget that that short term sort of news, if you like, then you can do exceptionally well and you don't have to be really smart or really anything. You just need to be quite bullish or have thick skin to, to walk through that period.

00:59:24:26 - 00:59:44:16

GUEST

And they've both done that, you know, numerous times in the GFC. I think they both are incredibly well. And that for me, reading about that and learning from that is something that I would love to say that one day, you know, I can say, yeah, I had that. I took learnings from them as experience investors and, and what they did with with Oaktree, Bridgewater and so on and took those learnings.

00:59:44:16 - 01:00:09:25

GUEST

And, you know, not to sound cliché, but like again the likes of Blackstone even like reading react news just for Christmas. They were dropping 300 million pounds on logistics in Manchester. And so I'm picking things up even at whatever discount it was to to to buy amongst that. That's fantastic outcome. And I think those are the types of people I would give the but would support with that money and the sectors.

01:00:09:25 - 01:00:37:01

GUEST

I wouldn't deviate from the sectors that we've all been interested in for the last two years, but it's predominantly logistics, predominantly residential, these very sort of protected in asset classes that have got fundamental tailwinds. Logistics, that's pricing is came off a bit now. It's interesting. It would be very interesting, I think, to see what happens in Q1 this year when all of the larger organizations have to file for their on your accounts and get their assets mark to market.

01:00:37:03 - 01:00:58:07

GUEST

And those Red book valuations will no doubt on paper show some losses, big losses. And that can lead to, you know, rates dropping and valuations and so on. And that's just a buying frenzy. If you if you've got the backbone and the stamina to just buy through that window, inflation one day soon will come under control. And when that happens interest rates will come down again.

01:00:58:09 - 01:01:12:03

GUEST

And you know before we know it that's available. Yields come back into line and so on. So it's nothing special I think it's just doing what everybody was doing. But just just back in the few people that have the ability to keep seeing it through even when times are tough.

01:01:12:06 - 01:01:30:17

HOST

Amazing. Well, look, thank you so much for joining me today. Excited to see what you and Max go on to achieve. No doubt everybody listening to this is thoroughly inspired by your mission and what you're trying to do. Thank you very much. Thanks.

01:01:30:19 - 01:01:50:22

HOST

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01:01:50:27 - 01:02:16:13

HOST

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01:02:16:15 - 01:02:26:11

HOST

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