

00:00:03:27 - 00:00:33:10

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.

00:00:33:13 - 00:01:08:08

HOST

Welcome to the People Property Place podcast. Today we're joined by Zach Goodman, founder of TSB. TSP is a vertically integrated real estate investment company with an award winning property management capability. Their mission is to build an investment business that remains relevant to its time and place, one that chooses rehabilitation over ruin, partnerships over rivalries. Responsibility over excuses. Combining deep operational capability with a progressive investment ethos toward wealth and security for investors and people at the 2022 Estates Gazette Award.

00:01:08:09 - 00:01:34:16

HOST

TSP scooped up three trophies Best Workplace Award and Edgy Tech Award. The 30 Lightman Kings Cross, an inclusive design award for Mis society in three part HC. Zach studied politics at university before joining Goldman Sachs as a graduate. And since leaving Goldman, he's gone on to set up multiple real estate ventures. Zach, welcome to the podcast.

00:01:34:19 - 00:01:35:27

GUEST

Thank you very much for having me.

00:01:36:00 - 00:01:44:17

HOST

Not at all. Well, I know you've listened to a few of these podcasts already, and you know, a place that I always like to start these conversations is how did you get into real estate?

00:01:44:19 - 00:02:17:03

GUEST

I came into real estate in a very indirect way. So, after leaving Nottingham, I went both Goldman Sachs and I suppose as a context and a prelude to that, I was always the kid that was selling you something in school when you were younger, whether it was cheering, videos or whatever. And I'd built a small business with a couple of friends in Nottingham, but it was relatively successful, and it was my first real taste of entrepreneurialism, working in partnership with people.

00:02:17:06 - 00:02:37:00

GUEST

And as Nottingham was coming to an end, I sort of asked around and sort of said, what's everyone doing? I'm from Manchester, and so one of the obvious options was to go back home, find a job, and a lot of the guys and girls that I was friendly with, they're like, well, we're we're going on these grad schemes and, you know, probably moving to London and what have you.

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GUEST

And amazingly, that kind of passed me by when I was in university, sort of planning what happened afterwards. So very stupidly, I just said to one of my friends were, which grad scheme pays the, the most money? He turned around me. I still remember now. And he goes, well, Goldman Sachs does better. I wouldn't bother applying there if I read it.

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GUEST

After hearing that advice, I went home, pulled open the application form so Goldman Sachs didn't have a clue what to I until that moment hadn't intended on being a bank or anything. And it had all these boxes in the questionnaires. And so I just decided to write my story of how I got to where I was by then.

00:03:11:26 - 00:03:28:25

GUEST

And in the first box I wrote, don't know what the question was, but what I wrote was, my friend has just told me not to bother applying, for a job at that. Here's my story, and you can make up your own mind. A few weeks later, quite frankly, amazing that I got a phone call. I've been invited to an interview.

00:03:28:29 - 00:03:52:23

GUEST

22 interviews later, I've got a job, I graduate, I'm going to New York, my orientation, get back to work in India for years to come back and sort of go on this whirlwind for about four, nearly five years, having the most incredible experience in education and then suddenly having a crisis of conscience and realizing, I'm not a corporate guy.

00:03:52:23 - 00:04:11:03

GUEST

I'm not. This isn't for me. It's not right. I became unhappy and a very, very good friend who had been my partner in Nottingham, and he no serious came to me and he's like, what are you doing? This isn't you. And he gave me a book called He Made My Cheese, which is an allegory about change. I've read it.

00:04:11:04 - 00:04:31:09

GUEST

He bought it as a kind of, that was his claw hammer, to knock some sense since me basically, and I basic, I quit my job about a month later. None of my friends believed that I'd quit. My parents were in a state of shock, and I had another friend, and he was, He had been working for a property fund, which was going bust pretty badly.

00:04:31:09 - 00:04:48:04

GUEST

It was 2009. And so he was looking for something to do. And I was in this fortunate position where I didn't quite well at the young age. So I had a little bit of, money in my pocket to kind of not, not retire or anything like that, but certainly pay the rent and think about what I wanted to do and take a breath for a second.

00:04:48:06 - 00:05:10:08

GUEST

And so he was like, look up in in property. It's pretty good. I know very few people that that haven't done well in perhaps in the rest of it. That being said, it was 2009 where there was blood on the streets, but I like him. My father was in property when I was younger and I loved architecture. For a while I considered, I considered it as a as a, as a university course.

00:05:10:08 - 00:05:28:01

GUEST

I considered it as a career, and I was put off it by the advent of card and computers. Made a drawing on my, my dad saying to me, you know, you'd be a draftsman. And then you get replaced by computers and all the rest of that aside, when you think about it and not truth as well. So long story short, I got into property through total serendipity.

00:05:28:01 - 00:05:41:15

GUEST

I had a friend that was already in that he was working for someone that was very soon to go bust. I was just in a space where I wanted to do anything else other than banking and so we set up together and,

00:05:41:17 - 00:05:42:29

HOST

To set up a business together with him.

00:05:42:29 - 00:06:09:13

GUEST

We set up a business together. And literally it was we bought a load of letterhead. We rented a single room in hand and yellow pages job pages on the desk phone started banging the phones, and the idea was we both wanted to get straight into an investment. I was pretty good on finance and and what have you, and he did that a lot in his time in real estate doing leasing kind of he knew what he knew and it was a lot more than I knew.

00:06:09:15 - 00:06:24:24

GUEST

But we couldn't get anyone to back us to go into investments because it's 2009 and we were 25. So we just decided, okay, let's just do something clever. Let's go and advise, can sell, restructure can make us. I was busy and we were like, what should we do? And I have to say, it wasn't my idea. It was his idea.

00:06:24:24 - 00:06:45:11

GUEST

But he said, well, you know what? The one thing I've noticed is there's a lot of charities in the UK to own property. No one set up specially to advise and we'll do anything. It's tough times. It's the credit crunch, it's that. So it's that and we did the analysis and he was 100% right. It was 167,000 registered charities at a time in the UK, the third sector.

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GUEST

And they were basically the biggest freeholder of a property in, in the UK. I mean, if you include all the churches and everything else, I mean by far and away and a very, very large occupier as well. This was back in the the days when, you know, the charity shop businesses were booming. You know, Oxfam had three, 400 shops around the country and a lot of people were following suit.

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GUEST

This was 15 years after the new labor government had come in and started using charities as effectively government contractors to solve a lot of problems in society, whether it was generational employment, whether it was, you know, drug rehabilitation and so on and so forth. So there was a lot to go up. And so we signed this room in hand.

00:07:24:13 - 00:07:39:12

GUEST

Then we called every charity and we were basically ran off because we said, look, it's a tough time in the market. We can see you've got the following leases with this thought. Let's go. We structure it for you, save you some money to start. And everybody just put the phone down just and said no, we got we got some OTS and sorts of instructions.

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GUEST

And then nine months in we got Barnardos and it was a tiny instruction. But it was Barnardos. And and the gentleman who instructed us said, I'm not going to pay you very much, but I guarantee you when you tell other people that you're working for Barnardos, it will, it will mean something. And he was right. And then all of a sudden the floodgates opened.

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GUEST

And, we did a considerable amount of business in a very short amount of time. And with the money that we made from that, in the early days, we started to build a small team around us. And it was small, modest, anonymous, knew what we were doing, were terrible. IRA. And then about three years in, we'd made enough money to have a bit of equity to go and say, well, let's go do an investment deal.

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HOST

And so the work, can you just tell me about the work that you picked up? What was what was that work that you were looking for?

00:08:32:23 - 00:08:53:27

GUEST

Oh, I mean, it was everything from your lease is coming up to expiry. So we'd go and do regas. And this was during a time where, you know, there was really high vacancy rate. The high streets were being absolutely battered, office market thrown up circa near temps and vacancy and what have you. And we were we were dealing with people inside and outside of London.

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GUEST

So in a lease expiry scenario would basically saying would you want to stay there? And they'd be like, yeah, we do want to stay this year. Okay, we'll go and leverage your landlord for you and we'll do a negotiation and we'd get them, you know, in some case years of rent free because the landlords were just petrified about losing tenants.

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GUEST

And charities are incredibly good tenants. I mean, never mind the fact that that it just ethics is in that, in that corporate structure. But they don't typically have that. So the cash flow positive organization to pay the rent on time, they don't behave like businesses beheaded if you like. Not their businesses on the whole behave poorly, but they certainly can do a lot more often than, say, a charity.

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GUEST

So there was less recurring, which was a good business. There was rent reviewing, the really interesting time to do rent reviewing because so many businesses had up. But only rent reviews by the market come down by 30, 40%. So you had a lot of charities that are exposed in office buildings or retail environments where their lease basically said their rent cannot go down.

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GUEST

We'd be in a shop paying 40 grand in the next door shop, you could rent for zero and just pay the ropes. So there was all these interesting like leverage and arbitration opportunities that existed in the market. And we were helping these organizations to effectively take advantage of them. And as we were a small business and we really had nothing to lose, we basically worked on a no win, no fee basis, and we got good at it.

00:10:22:05 - 00:10:48:02

GUEST

And so we we were able to do really well to the point where eventually charities so that when we were doing repeat business. Right, well, I think we need to have a cap somewhere. I have and what have you. It took us into dilapidation negotiation, and it was basically we became specialists in unpicking the old, wise ways of how landlords used to basically hold their tongue down on top of tenants, which was, you know, the old policy going on as we want it now.

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HOST

And you and your business partner at the time, was he a qualified surveyor?

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GUEST

No, neither of was.

00:10:53:11 - 00:10:58:18

HOST

The you were doing rent reviews and and and quite complex LMD by.

00:10:58:18 - 00:11:16:27

GUEST

Negotiation. So by negotiation. So you know and we'd always said to one another, if it came to the eventuality that we needed to go to a point where there was professional witnesses required or into arbitration and what have you, we'd made really good contacts in London where we'd said to them, look, this is what we're doing. And they were like, go at it.

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GUEST

You can do it. You know, you're not you know, it's not a regulated. It's say, but at some stage you may need some help. Give us a call. And we so we'd made arrangements for those scenarios. But they they so rarely do come up because using the courts to set a property disputes is is bad for for both sides.

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GUEST

And I think that's probably one of the biggest lesson I learned about real estate coming into the industry is that actually so much is achieved by negotiation, and that negotiation is driven by leverage and the leverage of the position. You're in a position that Darren.

00:11:47:22 - 00:12:06:29

HOST

Had you you just going back to to school and politics at uni, and you'd been told not to apply to go. Were you a good student at school and were you like academically gifted or were you. Yeah. It sounds like you're selling anything you get your hands on and selling it to your mates, and you're a bit of a wee dealer.

00:12:07:02 - 00:12:09:11

HOST

Where did you fit on that?

00:12:09:14 - 00:12:31:22

GUEST

I'm an unusual character, so straight-A student, but quite creative, quite into the arts. The liberal arts. I think that my father is from, like, a German family who were bankers and accountants, and my mum's from a family who were basically originally Uranian peasants who came over here and were market traders, because that's what they had to do.

00:12:31:22 - 00:13:00:05

GUEST

And so I was incredibly influenced by both sides of the family, like, you know, one side of the family, it's this kind of very Germanic. Everyone get that early, quite serious, quite conservative, quite prudish, quite proper, and, and on the other side of the family, you know, my grandfather was basically had the reincarnation of bellboy, but taught me everything I know about how to negotiate, to trade, to see value.

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GUEST

And so I had this, this, this odd combination because to get into Goldman job basically had to do literally I had to sit down and do like maths exams and all sorts of other things like psychological assessments and, and what have you. So I had a bit of both, I think, where my intelligence definitely hits its limitations, and it did do when I was in school is when you start getting into deep theoretical stuff.

00:13:20:20 - 00:13:39:20

GUEST

So I was always very good at, for example, you know, maths, mechanics, maths, stats, but pure facts took me a long time to get it. Once I've got it, I've got it, but it takes me a long time to get kind of into that. The deeper level stuff where I was, there was some geniuses sat next to me that could look at, you know, calculus and differentiation, do it straight away.

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GUEST

But they couldn't do arithmetic. And so, you know, I don't know there's any rule for any, any individual and how their brain works.

00:13:46:15 - 00:13:54:19

HOST

And then just before we progressed the story further, what were you doing, Goldman? What were you actually working on to which sectors or industries? So I started.

00:13:54:19 - 00:14:14:01

GUEST

In in that trade trading business. I was in a support role since I turned up on my first day and a three piece suit with my hair slicked back, and the guy that became my boss just laughed at me. And it was a lot. I'd say the way you think you are and elect me over to a I think there's a I think it was a printer and a fax machine next to each other.

00:14:14:02 - 00:14:29:03

GUEST

It was basically the Reuters conversations of traders coming off, and he said basically, so the conversations would print off, and then I'd have to pull those off and then put them in the fax machine. And that would be our offsite data storage. There was for some, I mean, I suppose when was it 2005, 2006? There was no cloud.

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GUEST

Let's say things worked way more old fashioned than you might have thought. And so I was there for a while. Then this opportunity to go to India came up, just just when, like, literally with two days notice. And then I got back and I was sort of like, you know, it was getting a nod from some people and all the rest of it.

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GUEST

I've got moved into the interest rate swaps business, which was a really it was a fascinating business when, you know, the credit crunch happens and, and what have you and, and hung around there until I think, I think my final day was January the 31st, 2009. You got paid your bonus, I think, the last week of January or something.

00:15:09:06 - 00:15:26:13

GUEST

And even though I'd been told by the owners beforehand, I stayed just to make sure I went in the bank

before I actually walked out the door. But the truth is, we already started the business to some degree among 30 before, so there were definitely a bit of moments where I was moonlighting and slipping off to a conference room to take a call.

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HOST

And what did you talk to your dad? He said your dad had done a couple of real estate deals. Was that an influence in terms of you? Yeah. Wanting to get into real estate?

00:15:34:10 - 00:15:53:22

GUEST

Yeah. He'll hate me saying this because you'll probably listen to this podcast. But he was an influence and an inspiration in the sense that he went very big and then basically went very boom. He built up a huge portfolio towards the end of the 1980s and the beginning of the 1990s and was doing really, really well and effectively over expanded and leveraged.

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GUEST

You know, interest rate was 15%. So he wasn't the only one that got tapped. A lot of people did back then. So, you know, the 90s was definitely a period of time for me that was marked by hardship and adversity and watching things not go right. And so but yeah, I did speak to him at the time, but I have to say I'm.

00:16:12:13 - 00:16:14:03

HOST

Probably less of that person.

00:16:14:03 - 00:16:31:07

GUEST

Now than I was then, but I didn't really listen to anybody. When I was young, around in my 20s, I was a bit of a bald head. Strong just went and did what I wanted to do. And so that's definition I've learned in life is to just, you know, put the lid back on the pattern and think for a minute and, and listen.

00:16:31:09 - 00:16:37:14

HOST

And how did you meet your friend that you set the business up with? And what were the skill sets that he brought to the table?

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GUEST

Well, the primary skill set was that we were both available and we were both hungry and we both needed to do some equal skills that we met run where we, got we were, we didn't go to school together, but we were friends. And we'd both go on different directions in terms of different universities and then different career paths.

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GUEST

And what have you had? Always stayed in touch, and I suppose it sounds childish now, but I think I think we decided to go and do this thing, having a cigaret out the back of his back one day when not. That is the beauty of your 20s. Anybody in their 20s listening here. If you're not married and and you don't have kids and you haven't got responsibilities, you effectively have very, very little to, to lose.

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GUEST

And so in terms of different skill sets, I was quite analytic. So I was financial. After being a Goldman's, I

kind of knew my way around an organization on yachts to spreadsheets. I could model, I could talk a talk a little bit, and any property he'd been in it for quite some time. He understood leasing.

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GUEST

He had a really good idea about how we had these leverage opportunities and in the market. And I have to give you full credit for that. And he come up with this idea for the charities, which when, you know, you didn't have to do much research or establish that, that this was a good idea and that it would certainly be an opportunity for why.

00:17:52:15 - 00:18:03:24

HOST

Why would CBO really gel a big advisory business? Why were they not tapping into this? Were they just to tunnel vision in terms of their their focus? I think firstly.

00:18:03:24 - 00:18:21:14

GUEST

Like the larger firms deal with larger clients on the whole. But and in certain parts of the cycle, they'll tell you that they deal with smaller stuff. But the reality is, you know, these are global businesses wanting to look after the biggest prize players in the market, who are the private equities on the funds and some larger family offices now.

00:18:21:16 - 00:18:43:28

GUEST

And yes, if you walk along to them with one of your properties, that of their services and what have you, but they're not geared up to deal with the more granular stuff we were dealing with. We were dealing with the trash bag of property because everything that we did was awkward, was small, demanded a huge amount of energy, and needed people who didn't value that time properly, which was which was me and my partner at the time.

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GUEST

And that was there were some firms that sort of put on their websites that they did charity advise pro bono, pro bono advisors, the worst advice in the world because neither side is empowered in that relationship. If someone's giving you something for free, you can't. You can't really tell them to speed up with that. Well hurry up, we'll do this.

00:19:01:03 - 00:19:19:02

GUEST

We'll do that because you feel indebted to them. And if you're doing something for free for someone, unless you really do have the time and resource to focus on that fully, you know I'm going to do the best job for them because you're not incentivized to do the best job for them and to push the ball in. And so it's just one of those moments in time where we saw this odd gap in the market.

00:19:19:02 - 00:19:37:19

GUEST

And I must tell you, people followed in it once they saw what we were doing. And so there are firms now that have very good, very strong specialist charity power, and we know them well. We competed against them back in the day and, and that world has changed now, ironically for us, we still it's very odd for our business now because we're an investment and management business.

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GUEST

But we were let go about charity advisory. We still do it to this day. Admittedly, we don't do the small, headache stuff anymore. We don't, because we can't offer the resource to do it. Well, so we deal with



bigger problems and bigger, issues. For, for, charity. And so but I hope we will always maintain our charity advisory, however incongruous that may sit with some of the other business that we're doing, because we like doing it.

00:20:08:19 - 00:20:21:21

GUEST

We like working with them. They're wonderful organizations to work with. And, Yeah, it's just that it's the genesis is the it's knowledge of the business. Right? It's what's called TSP, third sector poverty, the charity set.

00:20:21:23 - 00:20:30:28

HOST

So bringing the story back up then you'd grown a small team and you're doing some consults and a motley crew who's probably a for them as.

00:20:30:28 - 00:20:32:12

GUEST

Opposed to a team. Yeah.

00:20:32:12 - 00:20:35:01

HOST

So we got to like we got to.

00:20:35:01 - 00:21:05:05

GUEST

I'd say 2012. And by this time, yeah, we've brought on some chartered surveyors. We are now an RCS accredited surveying firm with a property management desk, with an agency desk and with a professional desk. And, you know, we'd gone through phenomenal growth, hundreds and hundreds of percent growth. Yeah. And we're in this sort of really difficult phase. We're probably at like 1011 headcount at that stage and growing fast because of the amount of instructions that we were bringing on.

00:21:05:06 - 00:21:33:03

GUEST

But we've got no organization whatsoever, you know. So one day someone sends me an email and it's got investors and people. This rosette or something, this insignia secured about my towel around at the time to my partner who's just to be with a party, is no longer my partner, but this investors and people. We need this, you know, look so professional and what have you and not thinking actually this investors and people this is a great framework to use to sorts out our business organization, help us with the next phase of growth.

00:21:33:03 - 00:21:56:16

GUEST

It was that immature young in business like I will not budge. And so we bring them in and we have a table, foosball table. We always have free drinks and food. We were like that from the get go. We really was that generation of so the post, Google and all the rest of it, you were cool. If you have free snacks in your office and if you had a foosball table, you were hitting a whole new level.

00:21:56:18 - 00:22:15:21

GUEST

And, we're cool artwork. And we were we were cool. We thought we were. So the investors and people consultant comes in, we're showing off and we're like, yeah, you know, look at this. And our people do this and the business is growing. And I was like, that's great. I'm going to go and talk to all your people.

00:22:15:23 - 00:22:38:09

GUEST

And then so she come and she goes into us and then she talks to us and she goes off and says, our turn, you, your report, your assessments and a couple of weeks. So a couple of weeks later, JV who's the M&A of the business today. But back then he was I think he was our contact ING officer for the RCS and was probably he was the next most senior person that jumps back in with the rifle.

00:22:38:09 - 00:22:43:15

GUEST

And he says, you guys are not going to like that. Basically, we didn't even get the basic required.

00:22:43:18 - 00:22:43:27

HOST

Nor.

00:22:43:27 - 00:22:46:29

GUEST

Even the basic one. And I'm like, I've met this thing. This is impossible. I've got.

00:22:46:29 - 00:22:48:05

HOST

A tape of football.

00:22:48:07 - 00:23:14:13

GUEST

And what we basically that was that none of our staff had job roles or descriptions. None of our staff knew who the direct managers were. We the partners didn't know who our dear managers were. No one could locate a business plan. No one had reviews. No one understood the process of how a business plan was put together. And in fact, I had been quoted as saying, oh well, me and my partner just go off to a hotel for half a day.

00:23:14:16 - 00:23:16:24

HOST

To have a sausage, another.

00:23:16:27 - 00:23:35:20

GUEST

Couple of massages, and then just buying something down on the side of a black and red book and not. And then we just tell everyone in a meeting we didn't spend anything on trading, what we what little we did spending on trading. We didn't actually record properly anywhere. We were just a revenue machine. All we cared about was just just just, Bill, just make money.

00:23:35:20 - 00:23:53:18

GUEST

Bring you. We we're obsessed from the get go with business development new clients. We had we had you know for for a team of ten I think we had 2 or 3 people that were full time, just cold calling and soliciting and sending emails, sending love letters, tops and tables, and what have you. We just gave no time to that.

00:23:53:18 - 00:24:14:25

GUEST

And we were starting to feel the pain of it, you know, suddenly realize, you know, we started to have stuff that we're going to work, other places. And, we didn't do exit interviews. Nothing. We just, you know, hired more. And, so I said, I said, I want, I want to get this invest. This is probably the best thing I've ever done in business up to this point.

00:24:14:25 - 00:24:30:22

GUEST

I said to J.W., I want to get this investors and people thinking, I want you to get it for it. And it was probably a laziness thing at the time that it just fell too hard for me to get it myself. But it was also brilliant because it was my first act of proper delegation. I've actually saying someone, look, you go do this.

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GUEST

And he took it on and and basically, I think within two years we had it and within three years of that we got to gold or platinum or something. And we still do it to this day. But out of that came proper business planning. Personnel reviewing our attrition rate dropped, there was proper organization, and we started to experience what I would call orderly growth.

00:24:54:03 - 00:25:20:01

GUEST

And and we're taking the business in the right direction. And this was crucial because basically we want it to be property investors, not just property managers and advisors. We never had any time to properly go at the investment side of things because something would flare up, or there was a pitch for a new client and, and what? Lee and at this stage, we were actually winning some major business in our management in an advisory, like major business.

00:25:20:04 - 00:25:40:23

GUEST

So that that that process of professionalization probably started to happen in 2012, 2013. So about 3 or 4 years into the business and it was it was really obvious to just to create some time for us to focus. We found the first property that we wanted to buy. And it's really interesting now because I'm reflecting on that time a lot right now.

00:25:40:28 - 00:26:04:17

GUEST

And what I can tell you is the first property that we wanted to buy. It was a good number for Patrick or it was on the market with the receivers at Lambert. Smith commented, there's 8000 square foot in the lower ground, ground with mezzanine above, and as it was basically £250 a foot and every fiber and every bone in my body knew that that was ludicrously cheap and we were still coming.

00:26:04:17 - 00:26:20:17

GUEST

Everyone was still using the phrase credit crunch. We were still, you know, there wasn't a lot of cash around our business. Certainly we'd never had even an overdraft. You know, we'd have to sign a personal guarantee just to get a photocopier in the office. And we'd done a development management job just around the corner from this building for a charity.

00:26:20:19 - 00:26:38:27

GUEST

And part of that job had been. So we bought them the building. We project managed to refurbish the whole building. They were to occupy the first couple of floors. And then we have this balance which they wanted to lease out in order to provide them an income which would subsidize their occupation. And again, this was a typical US day a week.

00:26:38:27 - 00:26:59:02

GUEST

We'd taken them out. They'd had a portfolio of three properties. We took them out, disposed of it or ordered the property. We did the whole thing cradle to grave, and then we would manager up the band for them as well. So we leased these two floors. The only small floor was like a thousand 2000 square foot, and at the time rents in the area, you know, 20, £25.

00:26:59:04 - 00:27:19:25

GUEST

And this was 2012, we put these two floors out, brand new, shiny. And they were perfect, out to lease. And we were flabbergasted with the response. And we had night it was ask how come I was really getting going and people were offering 35, £40 a foot some. I'm sorry. They're looking at this building thing. It's £250 a foot.

00:27:19:25 - 00:27:45:14

GUEST

It's really nice. Typical carpet, most stark exposed brick, big windows, industrial, the whole lot. I'm round the corner. It. I've got this building that's that I can rent for £40 afoot all day long and twice in a Sunday. So 40 over 250. I mean, you could do the maths, right. It it's does it do that. And we went around and tried to raise money for it, you know through property people that we'd met along the way and everybody turned us away and I mean, everybody turned this way.

00:27:45:14 - 00:28:04:01

GUEST

We went to a really wealthy investor that had been doing it a long time, and he actually said, someone's going to look at it. So we got to that stage and that person came back and said, the boys don't know what they're talking about. And we were defectors. We were deflated and then we were both satisfied. And so I said, well, I guess we're just going to go the friends or family route.

00:28:04:04 - 00:28:21:02

GUEST

And so that's what we did. We went to friends and families. We said, look, we're going to put this in it was an absolute conviction bat for us. We bought it nine months later, I think we returned. It was like 85%. IRA smashed it out of the park and we knew it like there was never a moment like when we bought it, like we were in doubt.

00:28:21:02 - 00:28:42:05

GUEST

There was never a conscious moment of thinking, oh my God, what if we done this? The rest of it, we knew it the whole way through and we did the whole thing cash as well. There was no leverage, so the IRA would have absolutely gone ballistic. Capri, but even the smallest amount of leverage into it. And so it's really interesting, you know, from that point on, everything kind of got worse because nothing ever looked as good as that.

00:28:42:05 - 00:28:50:22

GUEST

It's like going into a casino for the first time and winning. It's a great feeling at the time, but it actually doesn't necessarily serve you well the next time you kick it.

00:28:50:24 - 00:28:59:06

HOST

So you raise the money. Friends and family, were they real estate investors or, you know, did they have an understanding of the deal? Or.

00:28:59:09 - 00:29:16:16

GUEST

I think nearly everyone you meet in their life is a real estate investor. When they went back or they've done a deal or they bought a flat or they did this, it was a mixture. There were some real estate investors, there were people from other walks of life, and they were just good businessmen and women who knew what they were looking at.

00:29:16:22 - 00:29:38:11

GUEST

And I think one thing that we've been very good at, which I still retain to this day when we present stuff to clients or investors, I am obsessed with the presentation of it. It should be clear. It should be as professional as it is humanly possible, to be, because I think that invokes confidence in the person reading something that someone is really taking notes on.

00:29:38:13 - 00:29:40:05

HOST

Something you learned from Goldman.

00:29:40:07 - 00:29:42:19

GUEST

I think it was I think, I think.

00:29:42:22 - 00:29:43:15

HOST

I think it's partly.

00:29:43:15 - 00:30:07:12

GUEST

Learned from Goldman. It's partly my grandfather who was effectively, you know, a market man and a retailer, and he was obsessed with his shop window, you know, and some people say, like, you know, don't judge a book by its cover or its vanity. And all the rest of it. But there was a steady in it was studiousness to him about how he would present his goods for sale, and I think the same remains true today.

00:30:07:14 - 00:30:23:00

GUEST

So we yeah, these investors, they kind of knew what they would do. So that feted two young guys. They were actually, you know, I suppose if I was to invest in me back bad, you know, you'd be thinking to yourself, well, he's taking a big back here. He's got everything to lose now because you make a loss on your first one.

00:30:23:00 - 00:30:40:12

GUEST

You're not you're not doing it again. It wasn't a huge deal. I think the purchase price was 2.1 million. We raised 2.9 million in total. This is how stupid and green we were. We raised the sales costs, which you deduct from your completion money. I know what it's what. It hit our bank.

00:30:40:16 - 00:30:41:08

HOST

So we'd actually.

00:30:41:08 - 00:30:59:26

GUEST

Raised the money to pay the lawyers and the agents at the end of the sales space. So we actually over raised by 34 to go on just for that. And I remember thinking, where did that get that was a bit silly. Yeah. So we raised two point not I think I think we sold it nine months later, but I don't earn 4.7 million or something like that.

00:30:59:26 - 00:31:01:25

GUEST

It was it was remarkable.

00:31:02:01 - 00:31:11:01

HOST

And what return it. You guaranteed your investors and had you structured it like a typical GG relationship at that stage or not. It was a sponsor, set up.

00:31:11:01 - 00:31:29:17

GUEST

So we put our money in our equity and power, Casey, with all the other investors, and then we had a performance fee that was taken out of profits. You know, at the end, there was no management fee, there was no acquisition fee or anything like that. It was very basic. It was rough. Ready. We need to get some track record.

00:31:29:21 - 00:31:48:14

GUEST

And also we need to get this. Do you know this? This thing was, we were so petrified that someone else was going to realize what we'd, what we'd found her. And the irony big had been lying around the market prior to that was just forgotten. And, Yeah. So very, very simple structure. But within I think it was more than a limited company.

00:31:48:14 - 00:32:12:29

GUEST

I mean, it's ten years ago now, struggling to remember. But needless to say, everybody was very happy. There was a lot of pats on the back that we got and we kind of we kind of we knew it smashed it within six months. We did a very quick three, four months refurbishment of that, and we were being offered by tenants to lease, and when, when we could see the value of what we could lease it for, we knew we had a winner there and it was lovely.

00:32:13:02 - 00:32:16:25

GUEST

It was a really fun and exciting time and we were learning a lot of new thing.

00:32:16:27 - 00:32:22:02

HOST

Did you split the business at that stage and you had like your management charity summit?

00:32:22:09 - 00:32:48:16

GUEST

We did. So we said we set up the investment company and a brand called Northcote, which is sort of a no longer chartered run. But with Northcote, we went on to about 4 or 500 million pounds worth of deals, and we kept TSB separate. And fast forward to today. That was one of the big things. When my partner and I were in separate ways, I decided that there's no need for me to have two different brands like TSP is the is the original brand, so everything we do is on the TSP.

00:32:48:16 - 00:33:01:17

GUEST

And, you know, sometimes we might do an investment platform under underneath a different name, but it's everything's happening really three tsp. And if we're if we're using our balance sheets invest in this stuff. We're doing it. We're great. A group of companies that is

00:33:01:24 - 00:33:07:04

HOST

So can you give me a bit of an overview of TSP as it stands today? And you want to just touch on touch on some of it then.

00:33:07:04 - 00:33:27:28

GUEST

But so TSP is a group of companies owned by myself. You know on on the one hand we own Third

Sector Limited, which is it's a management business and we treat TSP, we manage and control I think is about a billion and a half pounds worth of real estate. And that goes nationwide because we still have some charity clients and we manage that.

00:33:27:28 - 00:33:53:25

GUEST

Whole portfolios for that are spread across the entire country, different levels of management. No, we just do property management for certain real estate. We do asset management on property management, for others. And then of course third sector property also manages all of my stuff. Also within the group we have a smaller sister business called Switched on Space, which is something that assessor was more a side hustle than anything else during the, during the pandemic.

00:33:53:25 - 00:34:21:25

GUEST

And that basically is a business that has relationships with a lot of the major proptech product manufacturers, in America and Asia. And in effect, it's a reselling business. So we we will, we, we buy proptech from the partners and then resell it on either to our clients that once it into our own investment and also into third party clients as rather we got involved and some really, really interesting projects with that that that kind of took us global for the first time.

00:34:21:25 - 00:34:43:15

GUEST

We did one project. It sort of spanned six continents, which was amazing. And then as well as that, there's our balance sheet investment. So most of what we invest in, we're operating as a buying investments and then doing the asset management, the value add. But we do diversify a little bit. So we have we also go in as an investment part of my.

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GUEST

So we're currently invested in building out 15 apartments in Bromley with with Belmont property. We're invested in a couple of small sort of enterprise businesses, which they or anything that we invest in has something to do with property, whether it's within the supply chain policy or just into directly. And so that's the great, great. It's it's kind of all singing, all dancing.

00:35:07:28 - 00:35:12:10

GUEST

I mean, it's it's I'm not trying to make out it's a global conglomerate because that is definitely.

00:35:12:10 - 00:35:13:18

HOST

Not it's not yet but.

00:35:13:19 - 00:35:37:25

GUEST

It's something that you know, started now 14 years ago. It's grown. It's evolved. And our main business is investing in real estate and adding value to it, and in particular, adding value to it through the operation of EST. Yeah. And, and something that we recognized a long time ago as service offices started to come into the fore.

00:35:37:25 - 00:36:05:14

GUEST

And we're not service office guys where we do de facto product, but you have to operate your property. And that's becoming the differentiating factor between successful real estate businesses and unsuccessful real estate businesses, which is Latin. Forget is dead. It's a very, very difficult business to just have a purely passive interest in today, and it's going to become more and more difficult to just invest

in it and have a passive interest tomorrow.

00:36:05:18 - 00:36:25:10

GUEST

We are trying to continually develop the products that we offer out in all sorts of, of different ways, but we really now have to think about what we do as certainly in offices in particular, which is the vast realm of what we do. As you know, treating like a hotel business. Anything else.

00:36:25:16 - 00:36:38:10

HOST

Is that a paradox? And given your management part, which is kind of third party with these charities who don't have an in-house expertise. Yeah, that is that juxtaposed with what you've just said from, well, running it quite, quite the opposite.

00:36:38:10 - 00:37:05:22

GUEST

It forces them into our hands. And it's just to be clear as well, it's not just charities that we manage for. In fact, it's through, through the years. We basically build relationships with a lot of banks, institutions, prop codes. We kind of saw what we were doing and we we come to it with a different flavor. Then going to say just at a standard property manager, we come to it with, a boutique and entrepreneurial flair, and we're happy to take stuff that needs to be changed, knocked around.

00:37:05:22 - 00:37:10:11

GUEST

That is going to be time intensive and that needs some TLC with.

00:37:10:11 - 00:37:24:24

HOST

A landlord hat on as well, which is an attractive part of it. And that's not just Bernardo's, you know, retail, high street retail stuff. It's not everything from the whole supply chain from logistics to office HQ to out-of-town retail.

00:37:24:24 - 00:37:42:13

GUEST

Yeah. I mean, I think at one stage I was the I managed I was basically almost the sole manager drug in needle exchanges around the country, if I'm honest with you, they're like the, the vast rump of what of what we manage now is, is mixed use schemes and multiple offices and charities are a much smaller part of our clients.

00:37:42:13 - 00:38:08:18

GUEST

How than than they once were. But the point I made earlier is they will always be an important part of the client side. But we we started to attract a lot of prop CFOs and entrepreneurial investors and, and also non entrepreneurial investors as well, who had become dissatisfied with the style and type of service they were receiving from some of the bigger houses.

00:38:08:20 - 00:38:31:14

GUEST

They wanted a more personal, entrepreneurial, and close relationship with the people that were managing their properties day to day. And I also think in a in the larger houses, there's a lot more churn. And I appreciate sort of the long term nature of a lot of the members of my team and have been around a long time at the same place in an industry where people seem to be moving more and more and more and more all the time.

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GUEST

So there's there's some continuation to some of, you know, a lot of standard clients been with us for 12 years, a 14 year old business, and my longest standing employee has been with us for about 12 years as well. And we have a you know, we're not a huge business, but a lot of people have been I've been around for a long time.

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HOST

Yeah. That's coming. I was going to come on to later about building a high performing team. But can you just run through. So from an investment management perspective, the type of kit that you look to buy and the angles and, and how you go about structuring those.

00:39:00:21 - 00:39:22:21

GUEST

Yeah, I mean, a real bird's eye at the bird's eye. We, we look to buy things that are mispriced. We look to buy things that we have a contrarian view of in a dislocated market. I know that sounds like gobbledygook, but firstly, mispricing where we real estate is in business of imperfect knowledge. And there's a lot of things that the target price.

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GUEST

Right. And that can be to do with poor advice. It can be to do with timing of the market. It can be to do with knowledge that we bring to a certain situation. Other people may not have Patrick or is across. For example, no one could see that. You could go rent it for 40 pounds and therefore no one wanted to buy the asset at 250 pounds a foot.

00:39:41:11 - 00:40:01:22

GUEST

So we're constantly looking for those opportunities and not that is the business is looking for needles in haystacks. And so you have to try and get really good and looking for needles in haystacks. Contrarian view in a distracted market. I read this book by Sounds Owl. He's one of the greatest property investors of all time books, unlike being too subtle.

00:40:01:24 - 00:40:34:07

GUEST

And he has this famous expression, which is when everybody's, looking left. I'm looking right. And I think if you really look at some of the greats in investment, they're actually more interested in assets that no one else wants, because there's a greater opportunity of being able to successfully pitch these things. And if you've got an idea for how you can add value to and or you feel actually that the market's wrong, that doesn't make you a mad person as long as you do your homework and and you work it out and, you know, bring me on set.

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GUEST

You know what we're feeling at the moment. And you know, which is we look at offices at the moment and there's a system wide view from everyone in the world that they're finished and what have you. And quite frankly, we feel we're just getting started with them. And it's beginning to become quite an exciting place. So we look for those type of opportunities and, you know, these things do typically end up being thematic because as you get into them and as you start to develop interest for them, you start to uncover some of the drivers that the, the are really so probably at first subconsciously saying to you, there's something here, people want this,

00:41:09:14 - 00:41:27:06

GUEST

there's demand that why is that? And you start pulling these things apart and working out the mechanics

of your investment. What is driving value in my investment? Is it my cost of finance? Is it my entry price? Is it purely just on location? Is it a market right thing where the value is being rerated, or is it the way it's being operated?

00:41:27:06 - 00:41:47:10

GUEST

How is it being operated? How are they balancing cost with what they were? We're receiving back in revenue. And so we get very, very analytical about these things. And once we've gone through that phase, we come out with sort of a criterion of what we want to go and buy and why we want to buy it. And it's a box ticking exercise.

00:41:47:13 - 00:41:51:21

GUEST

And if we have conviction, we move extremely quickly, extremely quickly.

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HOST

And as you know, there's been a lot of flux in the market right now. How do you see the market and where do you see the opportunity?

00:41:58:09 - 00:42:18:18

GUEST

I think there's been more than flux in the market. Any way we are going into a new paradigm of investment, and this is now consciously the second time that I've seen this happen. You know, the first time was when I was in banking and, and 2008 happened and the world changed and everyone said, funnily enough, in 2008, never going to be the same again.

00:42:18:18 - 00:42:45:05

GUEST

The world is over. You know, we'd come off this incredible high of the 5 or 6 years beforehand, which had been absolute boom and excess and craziness. And I remember one of the personal assistants, Goldman's in 2008, and I think she had 5 or 6 flats in central London. I mean, it wasn't a normal thing. But, you know, that was the time when everyone was running around buying houses on 100% mortgages, 125 mortgages.

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GUEST

You know, you buy something for a hundred thousand, they give you 25 come back. So we're coming into that time now. And that time is dictated by the cost of capital. So we've just been through 12 years where, you know, there was effectively zero in real terms. There was 0% interest. And that's had a very, very peculiar effect on, on, on risk, and reward and behavior in the market.

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GUEST

One sadly, which I don't think I've taken advantage of enough, you know, being in real estate over the last ten years, it was often hard to sit there looking at your cash flows on spreadsheets and having to look at the real world and gravity of bond finance and how and how the real world works and cash flow. And then you're sort of seeing people raising tens and tens of millions of pounds of a post-it note and an idea on a pitch deck in a room full of investors, you know?

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GUEST

So for me, it was always paradoxical, anyway, that the last that then I sort of paradigm. But where we're going now is now exciting for me because we've clearly comes the end of a cycle which is both been good and bad. You know, before, at the beginning of last cycle, we didn't have businesses like Instagram,

WhatsApp, you bought Deliveroo.

00:43:54:03 - 00:44:16:24

GUEST

I don't think we had vaping. We didn't. We certainly didn't have kind of, Elon Musk space acts and all the rest of it. Like if you look at the last 12 years, I'm not sure how important everything is, but the dial has been moved the way we live has been changed. The way the next generation has come through is profoundly different to the generation, my generation, that came through the sorts of noughties.

00:44:16:27 - 00:44:31:04

GUEST

If you like. No one finds an iPhone novel anymore. No one. You know, I remember whenever I was running over to the one person that happened just to have a look at it, and we all could go over what we were seeing. And I think we're going back into olden times. I think cash is very much king again.

00:44:31:06 - 00:44:50:08

GUEST

I think cash flow is king again. I think profit matters and that's going to be very, very hard for a lot of businesses. And across the aisle, it's going to be very hard for venture backed businesses who are no longer going to be able to just run into a room and say, I've got this wild idea, give me money, give me money, give me money.

00:44:50:13 - 00:44:53:24

HOST

And there's loss making for years and years and years. But they keep raising, keep raising.

00:44:53:29 - 00:45:24:06

GUEST

Correct. So, you know they've a lot of those businesses have effectively deferred failure for quite a significant period of time. That's not to say there won't be the next Facebooks in the rest of the country. Of course there will. I think in real estate it's a lot more challenging to raise money now. I mean, it was hard when I, when I started out, you know, back in the day, hard to the point where I couldn't do it, but now even more so, I think track record and having some credibility in the marketplace I've known we could doing it's going to count for a lot more.

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GUEST

And I think in general, for every company gone from this radical change of just being able to access liquidity in cash very, very easily and not being ingrained into the foundations of your business model, and that's no longer there. And that makes it hard.

00:45:40:00 - 00:45:45:14

HOST

Is it no longer there or is it just more expensive? It's still there. You can still access it. It's just the cost of access.

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GUEST

I think in many cases for many people, it's either no longer there anymore or it's prohibitively expensive, where it doesn't make sense for them to transact the business. And so I suppose you could ask yourself, was it good business in the first place? I mean, one thing that we always did during the low interest days and, when we wanted to demonstrate to investors that we really were adding value, was we benchmarked the MSCI index against our returns, and we took the MSCI index as part I, if you bought the thing, did absolutely nothing to it, then spend a penny on it.

00:46:15:23 - 00:46:37:22

GUEST

You'd carry it, not market anyway. So how much did you up for that index. But because that's really what you've done. What your idea is that you have the value you've added in and what you brought back to the table. And I think that would be interesting for many people to do a regression analysis on. Now, there's a lot of people right now that over the last ten years made a lot of money in property and probably so very, very clever of themselves.

00:46:37:22 - 00:46:44:07

GUEST

But you have to ask yourself how much of it was a carry trade and how much of it was genuine. There, you know, buying right, picking my.

00:46:44:13 - 00:46:46:18

HOST

Right in the way I've come to the upside.

00:46:46:20 - 00:47:07:23

GUEST

But with this change comes massive opportunity. I wouldn't have been able to start my business in 2008, 2009 and get a leg up. If there hadn't had been market dislocation and arbitrage opportunities. It was a time back then when anybody could just go start a business and everybody did get install a business, by the way, you know, so many people were out of work.

00:47:07:23 - 00:47:24:23

GUEST

70 people got chucked out on their air from the big corporates. I remember, okay, this is what all my friends thought. I was mad leaving a secure job during during that time, you know, I'd walk out my offices on Fleet Street and that'd be graduates walking up and down the street with some sandwich boards over them with see saying, hire me.

00:47:24:26 - 00:47:46:13

GUEST

People desperate for jobs. People took extended years out, two years, a whole generation of, of bright graduates just missed the boat. It was it was a it was a tragedy of epic proportions at the time. And it's changed a lot of people. It's changed the past. Said they would have, taken so look, there's, there's all the, the horrible stuff and, and the shakeup.

00:47:46:13 - 00:48:04:09

GUEST

But when things do get shaken up, the world becomes ripe for disruption and barriers to entry tend to drop. People get given a chance, you know, if you if you're a small guy running a little business with the yellow page and all the rest of it, you'll probably squeeze yourself into a meeting with someone that you would narrowly might not have been able to get in with.

00:48:04:12 - 00:48:18:27

GUEST

Pitch them. And if they like, you know what you've got to say then, then, then you may well get a chance. Whereas when the market's booming and everything's going and all the rest of it, people tend to just want to be fast, go with who they know, go with, you know, and what have we to say? I think it's exciting.

00:48:18:27 - 00:48:35:19

GUEST

If you've got an idea right now and you're starting off a business. But what I'd say is start up a business where you've got a real business plan and there is some hope of driving some revenue. And, you know,

it's a sensible endeavor if you like, however disruptive or exciting it may be. And then, yeah, values are changing and there's volatility.

00:48:35:19 - 00:48:58:19

GUEST

And volatility is a great opportunity to spot mispricing. It's a great opportunity to spot you know a contrarian theory. It's a great opportunity to find a dislocation in the market. I think you can see it in the financial world. It's already happening ahead of us. What actually for the last ten years, hedge fund is sort of been shrinking and shrinking away as people invested into ETFs and algorithmic driven investment platforms.

00:48:58:19 - 00:49:23:00

GUEST

And actually you can see all the active managers, the hedge funds are sitting up with cash again, because now is the time to be jumping in that and really finding the confusion. And what you know, you need to look at the list of markets at the moment. There are some property companies there where if you take their market capital or the next asset and divide it by the number of square feet they have, you know, there's 50, 60% discounts.

00:49:23:00 - 00:49:41:16

GUEST

And in in the markets that's, you know, it's a 10 pound note for a five up as, as I used to say. So there's huge opportunity but it's scary I think we're in this in-between moment in the market where everybody's peering over the edge, looking sideways at one another and waiting to see who's going to jump in first and have a go.

00:49:41:16 - 00:49:45:11

GUEST

And then I think they'll just be like, always happens. Everyone will follow.

00:49:45:13 - 00:49:53:20

HOST

It's always hard to pick when that will happen. How close to that point do you think we are and what would need to change for that to accelerate?

00:49:53:25 - 00:50:08:21

GUEST

So I don't think there is one dividing line for it. And I think in certain senses we're past that point or anything like that. Certain areas of the market I'm looking at, I think, wow. And it's been and there's certain areas of the market where I'm like, whoa, stay well away. That's that's not correct. Can you.

00:50:08:21 - 00:50:09:06

HOST

Elaborate?

00:50:09:08 - 00:50:37:03

GUEST

Yeah. Look, I think office is a super interesting I think that the press I think the, the general investment world, I think the money management world is taking a fairly slow macro market global and of and saying, oh, it's done. But I think if you start digging into it and looking out, looking on it, there's a lot of sort of substratum within that where actually it's it's busy and it's transactional and there is pockets of demand in places.

00:50:37:03 - 00:50:59:03

GUEST

And if you try and work out, why is there demand that, what's driving that demand, how deep is that demand? How well-served is that demand? You will find lots of opportunities, find underserved customers in the marketplace who are yearning. Likewise, there are areas of the market where I think things have probably been overlooked and remain that way, you know?

00:50:59:03 - 00:51:22:17

GUEST

But again, within that, I want to caveat industrial is a classic example from the industrial really went absolutely parabolic earlier last year and and it had been on an upward trajectory for a long time. And, and you know, we've seen that cooling off a lot lately. But again, when you really speak to industrial guys, you know, you'll find out that there's there's 20 different types of industrial investment.

00:51:22:19 - 00:51:47:04

GUEST

You know, there's not one. And so I think what's happening at the moment is when confidence tends to get low, people pull back and they start indexing. And what I mean by that is they just start treating, you know, industrial as one whole monolith of investment office, the same tech growth volume. You start hearing like that, that the more people pull back, the more people use just singular words describe and they generalize.

00:51:47:08 - 00:52:09:09

GUEST

And that's where opportunities arise. Because actually if you don't generalize and you get very, very specific and you really start delving into the transaction data that's going on, why stuff being bought that, what's the reason for this? What's pushing it? You will start to be able to develop a view on something and you might be wrong. You might be wrong, but it will give you a sense of confidence well over another.

00:52:09:10 - 00:52:17:09

HOST

We spoke earlier about your team and how long they've been with you. Can you give me a little bit of insight into your learnings around building a loyal and high performing team?

00:52:17:12 - 00:52:37:07

GUEST

Yeah, I mean, the one thing I'd say is as as a precursor to everything is and it's something that I should have done when I started the businesses. It's really good to try and learn to be a manager before you hire people, even if it's just reading a book or doing something and not purely thinking that your ego alone is going to to herald you and your team into into the future and success and everything.

00:52:37:07 - 00:53:01:19

GUEST

And that's basically what we did when we started. And I'm clear about managing people and and we saw everybody worked in a very linear way, which is that just driven by their compensation and the more performance related compensation that that you can get people, the better that they'll work. And we didn't think about any of the glue that you need to create as a manager in order to have all of these people moving in the same direction at the same time.

00:53:01:22 - 00:53:35:22

GUEST

We didn't really contemplate. Well, I certainly didn't in my 20s about the fact that life happens to everybody, myself included, and how to handle that as a manager and how to build trust with the people that you work with and how to pick people up when they're down, and also how to how to bring an environment where they'll pick you up when you're down and how reciprocal that relationship actually is between whether you're manager or whether you're colleagues and what have you that so to really

understand that, it's kind of, there's a biology to a workforce.

00:53:35:24 - 00:54:03:20

GUEST

And it's very, very complex and learning how to recruit, you know, and, and not just say, you know, yes to the yes man and what have you and really try and analyze for the right fit for your organization. And, and I want to say that I'm, I'm not here speaking as someone that's succeeding, not wholly it is a constant learning that is as much joyful as it is painful any given moment.

00:54:03:20 - 00:54:24:04

GUEST

But yeah, I built a team around me, and there's a lot of people around me that have now been with me for a significant period of time, and they're phenomenal people. And that that I think firstly, that they're purely on merit and the and, and you know, they've worked into the positions they're in purely on merit because they're brilliant at what they do.

00:54:24:07 - 00:54:42:11

GUEST

But there's also there's a culture amongst us. And, and then that is, you know what long term think as real estate as a long term. My obsession with the with the business as a whole is it's a long game and they're people that yes, of course they're focused on their compensation and, and where that will take them in life and what options they'll give them.

00:54:42:11 - 00:54:59:06

GUEST

But they're also focused on their life. And you know, what level of autonomy are they getting. You know, could they earn more somewhere else? Possibly. Would they have as much autonomy? Possibly not. Would they get as much experience? So there's so that there's so many different things to balance up to. They trust the people that they work with and who they work for.

00:54:59:12 - 00:55:20:29

GUEST

Do they believe in what they're doing? And all of these kind of things I learned really like, like with the whole investors and people experience. I learned this as I went along and I did it backwards. And if I could go back, I would have got into it much more. Now, I think a lot of the real wisdom around me when I started the business, they all said to me, it's all about people.

00:55:21:02 - 00:55:25:24

GUEST

And I just probably batted that off and I'm like, yeah, yeah, you know, pay.

00:55:25:25 - 00:55:29:15

HOST

Profit, you deals. So yeah, reiterating stuff all about deals night.

00:55:29:15 - 00:55:50:02

GUEST

It's all it is, you know, and as you start to scale, you know, there's very, very few businesses where you can scale without needing other people to help you. And by the way, that's not just people that work directly for you or directly with you. It's your whole ecosystem because it's your suppliers. It's your customers. It's your investors.

00:55:50:07 - 00:56:12:15

GUEST

It might be your shareholders if you have them. You have these stakeholders all around you. And if you

can't get one of these people to really work with you, then you're going to just effectively be trying to grow your business with the handbrake on, you know? And I think we really in all in our line of business, certainly in the management side of the business, you're often in a sticky situation, there's a leak or there's a critical event that happens that you need to respond to.

00:56:12:15 - 00:56:35:00

GUEST

And actually you're reliant on people outside of your business, your supply chain and and, you know, whether it's in construction, whether it's in maintenance, whether it's insurance, legal, accounting, you name it. We've worked with some phenomenal, phenomenal people and companies in the industry that really know what they're doing. But, you know, it's even better because we've invested in the relationship with them.

00:56:35:00 - 00:56:49:28

GUEST

We take that little bit of time to go and get to know them, maybe invite them to drinks at work. Maybe we've been out for lunch with them and what have you. It really counts when you need help and you're looking around like, who can I call to to get me out of this one? So yeah, management isn't just an internal thing.

00:56:49:28 - 00:56:55:19

GUEST

It's not just about your direct team. It's your whole ecosystem of people that you comment on sat with.

00:56:55:21 - 00:57:11:06

HOST

You can see from LinkedIn, you're a family man. You've got a picture of your kids on your LinkedIn, which I absolutely love. How do you balance work and family life and has your view of success changed since getting married and having kids?

00:57:11:08 - 00:57:33:00

GUEST

Yeah, massively. My view is definitely changed since having kids. My view changed before having kids because we we found it very difficult to have children. But you know, family first. And that's a rule that I'm still learning to stick to properly. But I'm getting a lot better as I got older. And creating boundaries, this hustle culture, this money never sleeps, coach and all the rest of it is bullshit.

00:57:33:01 - 00:58:06:25

GUEST

You know, you really want to create harmony in your life where actually, most of us probably wake up in the morning dream that we can do just the right amount of work, that we really enjoyed our work. It's intellectually stimulating and satisfying, and for that exchange of labor in whatever we're doing, we get enough, you know, recompense, but that we can live a really nice life, give our families what they want, and, you know, most people close their eyes, you know, visualize that walking down the beach carefree with your family, with them looking up on you, lovely and lovingly, knowing that you, you know, you're delivering for them.

00:58:07:01 - 00:58:21:10

GUEST

Not just financially, but as a as a parent, as an inspiration, as own or whatever it may be. You know, when I when I got married to my wife, it was a really tricky one for us because we got married in our late 20s, a lot of our friends had already got married and started having kids. We wanted to get on to.

00:58:21:10 - 00:58:40:21

GUEST



A long story short for us, it on our first child was lucky number nine. After five years of trying islands. That was the first time in my life where there was no money. Well, there was no level of energy that I could apply to the problem to fix it. It's completely humbling. It's completely out of our hands. It's very, very hard.

00:58:40:21 - 00:59:15:16

GUEST

It's very heartbreaking. And it feels and lives. And so actually, I realized before I had kids what was important because I had sat there and had to contemplate essentially not having kids. And, and, and, you know, all of those other thoughts that, that, that, that go through your mind, and I think, I don't know if it's from a cheesy movie or it's someone that someone told me, but that concept of visualizing yourself lying on your deathbed and looking back over your life like you're conscious of the fact that you might be about to go any time, and it's sort of asking yourself, who do you want to be in the room with holding your

00:59:15:16 - 00:59:37:06

GUEST

hand? What memories are you thinking of at that time? If you look back through your life and this kind of building perspective over what we do, I'm really into that because the last few years has been stressful. You know, with pandemics and the ups and downs of the business world and stuff. And, and I think at the time, it's all consuming.

00:59:37:09 - 00:59:54:14

GUEST

And actually, those are the times where you want to double down in your family, and those are the times where you want to think about this and say, this is just a speck in my life. This is if your phone charges to 100% this year might be, you know, 1.5% of your battery life, there's plenty more to go.

00:59:54:14 - 01:00:10:02

GUEST

It's a long game. Kick back, relax. So that causes me to want to create more and more boundaries between work and personal life and get it into balance and not trying where hard work has this badge of honor that I think is happening a lot on social media and other places.

01:00:10:07 - 01:00:34:21

HOST

Yeah. It's interesting. My wife and I also found it really difficult, kids, and we've got a kid on the way end of March. But going through that process, it took us a couple of years and built around survival. Yeah, it's like the first real challenge that I certainly found that you can't outwork, outsmart, outmaneuver, out, negotiate. And my wife runs a business as well.

01:00:34:21 - 01:00:56:21

HOST

And I think it's a very humbling experience. So almost like a suddenly I saw it as a rite of passage, and I definitely hadn't spoken to anyone about it. So this is the first time I'm really opening up about it, and I'm really excited about how it's going to shift my perspective from work, and that's why I was really interested to get your take on on how you balance work and family as well.

01:00:56:23 - 01:01:21:09

GUEST

This there's no balance required for me. It's out of balance. My family is more important than my work. I always will be. And you know, it's really interesting. You're saying you haven't spoken about it before because I couldn't speak about it probably until a couple of years after I had letting my first daughter. You know, I took this approach of whether it was keep calm, carry on or be, you know, this image of the the northern land, everything's all right.

01:01:21:10 - 01:01:42:14

GUEST

Crack on with it. And the rest of it, which was, you know, probably a very archaic male chauvinist way of going about dealing with it, wanting to be strong, wanting to be. Nothing's affected me. Looking back and hammer through it probably did a lot of damage myself, with that attitude. But it was interesting. Once I had let the, I don't know.

01:01:42:20 - 01:02:03:11

GUEST

So it's not like I openly talk about this all the time, but there was other people within the industry that clearly had worked out or knew or heard something that I'd, you know, had a tough time of it. And this slow trickle of younger men started arriving in my office, and it was always with a text or a WhatsApp or an email of drunk catching up for a coffee or something, and you just had this sense that it wasn't about business.

01:02:03:11 - 01:02:30:29

GUEST

And since, you know, Lily's coming up to six years old, I must have had conversations with with 10 or 15 guys over that period of time. And I found it incredibly rewarding and a form of kind of cosmic payback to to either give these people solace, give them guidance in terms of, you know, the where I've gone and where I've found success with it, you know, whether it be a a doctor or this or that or just how to look after yourself or how to look after you or your wife as well.

01:02:31:02 - 01:02:49:28

GUEST

But, or partner, you know, going through these times. But I think we live in this mad world in London, in this bubble, and we're basically microwaving our brains to death, you know, and working in the fast life and all the rest of it. And, in the grand scheme of things, when I work in business, it matters a lot.

01:02:50:04 - 01:02:57:03

GUEST

And for all of us, you know, I'm sure it would be one of those thoughts. What did I build? You know, when you're on your deathbed and what have you. But yeah, perspective is required.

01:02:57:04 - 01:03:12:16

HOST

Well, thanks for sharing that because I've definitely struggled with that. And I've got friends as well going through similar things. And I know that as blokes they struggle with it as well. And I think talking about it, you know, I think really important and I think if you, if, if I heard myself say that two years ago, I'd be like, what you want about, you know, shut up.

01:03:12:18 - 01:03:29:27

HOST

You know, you're not or not order another pint. Yeah, exactly. You're not the emotional, you know, person to to to discuss. So thanks for for being open and honest and enabling me to, to share that as well. And I wouldn't have done in this. You said it. And also part of me probably doesn't want to say it just in case.

01:03:29:27 - 01:03:37:26

HOST

Yeah, I just want to wait until the arrives back in of March and is all all good and my wife's good as well. But there you go. You've got to, to, to you know.

01:03:37:29 - 01:04:01:04

GUEST

To each their own is what I'd say. And if it feels right to you then, then, then. That's great. I think, I think

the key thing that I'd say to any, to any, any guys going through this is just be to somebody doesn't necessarily need to be on a podcast listen to by thousands people. Actually, it doesn't matter if it is because externalizing it, I think, you know, more positive things come from that, the negative things than if we put it that way.

01:04:01:04 - 01:04:28:20

GUEST

And it's definitely something, that I should have done. And I suppose the linking back or segue back to your original question about management and people and teams. I think the biggest change that I've experienced over the last sort of 14 years of being, a people manager is mental health, is taking account of people's lives and is understanding people as humans.

01:04:28:23 - 01:05:03:01

GUEST

In the workplace and what they go through. And I think this goes, you know, from everything from, you know, the MeToo movement and how that, you know, I'm a male boss. You know, I think business is probably about 70, 75% women. And I never really thought about that. And then, you know, after MeToo and think, you know, and you heard all these stories and you read all these things about how bosses can be inappropriate and say these things and, you know, even hugging someone and all this kind of stuff, you know, there's a lot of change in how managers can interact, how business leaders interact, and the culture that they, they, they bring around

01:05:03:01 - 01:05:34:09

GUEST

them. And I genuinely think it's been net positive. I think there have been negatives around things, around certain political correctness. I think it's probably caused a lot of people to withdraw from what used to be the office banter, although it says some office banter was, you know, when when Bill on the line was on, it sets up. But, you know, it's that's been a real challenge over the last sort of ten, 12 years is moving into that new world, especially in real estate, because so many of the old guards, you know, lived up to their name.

01:05:34:09 - 01:05:48:26

GUEST

There were the old guard, right where there was a lot more of a male dominated bro culture. If you like old school bro culture that was in there. And a lot of a lot of what went on was just, you know, completely not to the unacceptable.

01:05:48:29 - 01:06:05:14

HOST

Yeah. And I'm really pleased that is changing. And you know suddenly barriers are reducing and people are being more open minded when that when they're hiring talent into their team, which is absolutely awesome to see as we look ahead to 2023, 2024. Talk to me about your plans for TSP.

01:06:05:17 - 01:06:27:05

GUEST

So we're quite excited. We're where we we work in the current flexible office space, predominantly, around the sort of 2 to 3 year term certain space. So we, we effectively by will manage buildings and we let them fall by floor. But what we're delivering is a product that looks more akin to a serviced office every single year.

01:06:27:05 - 01:06:48:14

GUEST

And we're trying to layering services without increasing the operational costs too much so that we are providing, you know, that that sweet spot of value, to the end user. And we see this is a very popular space in the market right now. You know, work from home or hybrid work has caused a lot more people to

downsize their offices.

01:06:48:16 - 01:07:09:21

GUEST

But actually what we've seen is the most amount of activity downsizing has come from the much larger companies who are now moving into smaller spaces, which they've sort of the pairing and artful folios, which is new for us. You know, we're we're we're seeing tenants creep into the portfolio that were, oh, I don't wanna say out of our league, but we didn't provide the big floor play.

01:07:09:24 - 01:07:27:00

GUEST

So we're building. So that's been interesting developing the product out more. You know, that, our customer has become so sophisticated in terms of what they want, you know, from taking grade-A, you know, shelves or boxes, if you like. You know, it's now they walk in and it's. Do they like your furnishings more than, you know, anything else?

01:07:27:00 - 01:07:51:11

GUEST

It's the Instagram world of things, you know, does it look like does it fit with the brand. So we'll we'll continue to deliver on that space. We see demand that we see there's a there's a very, very good sort of cohort of businesses in central London that have effectively already made the decision to say, well, we're not going to be 100% remote, business and what have you, we are going to have a hub.

01:07:51:11 - 01:08:15:13

GUEST

We are going to have a place to learn, train, collaborate and what have you. And we want it carry over finding the right buildings, rehabilitating them and providing them to those people. And we'd like to continue winning, winning awards for it. So we'll be we'll be buying into 24 and 25 and we'll continue to. We picked up a lot of management.

01:08:15:15 - 01:08:33:26

GUEST

Mandates towards the end of last year, and we're continuing to to win some at the moment. And these are kind of set for account clients and third party clients that are coming to us basically saying, look, we don't have the operational wherewithal to, to, to, to, to to run these buildings ourselves anymore. We don't want to check out the market.

01:08:33:26 - 01:08:49:16

GUEST

We want to stay in. We can see what's happening, but we need that operational expertise. We need to be looking at that, you know, helping us sort of fit out, inspect those things and then actually run them, for us and give our customers, give our tenants what they want.

01:08:49:18 - 01:08:55:07

HOST

Talk to me about your rationale behind getting up core, certification B Corp.

01:08:55:07 - 01:09:27:22

GUEST

So again, this was something after I had, taken control of the whole company in 2021. And, you know, sustainability was always interesting to us from, from, from the early days, we sort of started to see this come through. I think it was interesting for us because it just made so much sense. We were trying to think of a way of how can we really demonstrate, sustainable credentials as a business that would a bit similar to the investors and people thing.

01:09:27:22 - 01:09:44:08

GUEST

But I went about it with a bit more sort of, well, I was less of an idea about like what it's going to do. It wasn't just a badging exercise because it's too much work just to do it for watching exercise. And we understood something very, very early on in our business how how well we acted on it, how much we leverage off the back of it.

01:09:44:08 - 01:09:57:01

GUEST

I'm not sure, but we understood that the the world governments were aligning to basically price sustainability into everything. And you you could see it long ago with a driven by tongs.

01:09:57:01 - 01:09:59:25

HOST

The sheep. Yes. You buy one and they give one. Yeah.

01:09:59:26 - 01:10:18:12

GUEST

Not bad. But to me that in my mind is one of the more kind of the original of this latest generation of sustainable businesses. I mean, sustainability, as my grandmother used to tell me, has been going on a long time. You know, they used to return the milk bottles, right? Deposit needs to reuse nappies and everything was about not wasting everything.

01:10:18:18 - 01:10:35:09

GUEST

But we saw this coming through and we started to understand that certain buildings were doing better because they were more sustainable, whether it was a marketing thing and the tenants were using them, paying rent for the whether it was when they were being sold to the investment world at the last sort of 4 or 5 years, it just came into the zeitgeist.

01:10:35:09 - 01:10:59:07

GUEST

I think Greta had huge amount to do with that, you know, to give her credit, because this has been around it in popular culture now, properly, since the I'll go with Inconvenient Truth. Yeah, I think this I really hit the tarmac tarmac about five years ago, and I think it just intensified an intense Biden intensified. And so because it was something we were following, I had a friend that set up a really successful business.

01:10:59:07 - 01:11:13:19

GUEST

I'll give coat a shout out to. Actually, Jonathan, these are all plants who I went to uni. Well, and I noticed when he sets up a little place, a vegan, I noticed when he sets up his business he did V Corp and I remember asking about at the time is our mate Bo like it's a boy.

01:11:13:25 - 01:11:23:04

HOST

Right into your memorandum of ask us association and memorandum of whatever it is. You know the fact you're not just a pure profit enterprise, right?

01:11:23:04 - 01:11:43:18

GUEST

Yeah. I mean, you you have to expose your business to a full audit, but it's not like a financial audit. It's across everything. So changing your articles, which is basically balancing profit with purpose, that's the easy that you've got to ask yourself questions you've never asked yourself before. Like out of all the suppliers to my business, what percentage of them are black owned?

01:11:43:18 - 01:12:08:12

GUEST

What percentage of them are in general ethnic minority owned or female owned? And what I mean, you have to you analyze your business down different starts is that you never, ever, ever thought about. And what's really interesting is that that part of the exercise of doing that comes into the whole unconscious bias thing as well, because you can, you know, if if you suddenly look at your entire supply chain and it's just old white men, then you know, you it is.

01:12:08:12 - 01:12:25:01

GUEST

I'm not I'm not saying it's, you know, there may be some people that do have that, but you start to realize how these things affect the way the world works and how people's opportunities works and what have you. So it's really important for us, to demonstrate this and be cool to us. We thought it was really cool.

01:12:25:04 - 01:12:44:25

GUEST

We thought it was incredibly thorough. And I think if you're going to go and get accreditations, go for the go for the ones where they are super, super, super fastidious because those are the ones that are going to stick around and those are the ones that are going to be respected. And I think at the time when we got our accreditation, it came through 21, actually, July 21st, we were accredited.

01:12:44:27 - 01:13:08:06

GUEST

I think we were one of four property companies in the UK to have that. And obviously we've seen a wave of of them come through in the last year. We've actually helped by a lot of companies to and so after after we did our launch, we, we were approached by town people saying, look a what is this? So be we're in the middle of this and it's really hard if you've got any tips and it's nice to say it's a new community for us and we really enjoy being, a part of.

01:13:08:06 - 01:13:20:07

HOST

That. As we draw to a close, a question I ask everyone on the show is, if you were given 500 million pounds worth of equity for the people, what property, in which place would you like to deploy that capital? If I was given 500.

01:13:20:07 - 01:13:22:18

GUEST

Million pounds worth of equity, who are the people I.

01:13:22:18 - 01:13:29:15

HOST

Work with? Yeah. If you're going to sell a team, who are the people that you know, maybe you'd assemble? Who are the people that the property would be for? Okay.

01:13:29:17 - 01:13:52:11

GUEST

The team I've got now is the one that I do is cliché, I know, but I don't need anything like that. Perfect. What properties would I buy? I'd probably go on a shopping spree of beautiful landmarks around London. If I'm completely honest with you. And I'm into old and gold, you know, I'd buy some of the classics that definitely build off the Ralph Lauren building on the corner of near Bond Street.

01:13:52:14 - 01:14:15:05

GUEST

I just think it's one of the best located. It's clean, it's beautiful, it's elegant, it's the right size. It's it's got oodles of curb appeal. I probably want to buy an iconic skyscraper in the city, you know, an indelible mark

on the London skyline, I think the Gherkin to me, again, it's kind of like it's modern vintage in the city and then I actually don't know the name of the building.

01:14:15:05 - 01:14:27:16

GUEST

There's a building on Wigmore Street that's nearly opposite the, the pharmacy. But then it's beautiful and it's almost like it's an absolute Goliath of a building, and it's beautiful and it's like neo-Gothic. But I'd by.

01:14:27:16 - 01:14:32:19

HOST

That be stretching your 500 million pounds worth of actually pretty far. I think it's not for I am known for getting a.

01:14:32:19 - 01:14:35:17

GUEST

Good deal, so I reckon I'll make it work.

01:14:35:19 - 01:14:52:23

HOST

Awesome. Well, look, Zach, thank you so much for joining me on the podcast today. Share a little bit about your background story and what you're doing with TSP, which is absolutely awesome.

01:14:52:26 - 01:15:12:28

HOST

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01:15:13:04 - 01:15:38:19

HOST

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01:15:38:21 - 01:15:48:17

HOST

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