

00:00:03:26 - 00:00:27:12

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 and shakers, innovators and leaders in the real estate industry.

00:00:27:14 - 00:00:34:22

HOST

Welcome to the People Property Place podcast. Today we welcome Dan Silverman, co-founder at SpaceX made to the pod.

00:00:34:24 - 00:00:36:20

GUEST

Hi, Matt, thanks very much for having me on.

00:00:36:23 - 00:01:00:19

HOST

Not at all. Well, thanks for coming into the podcast studio. So SpaceX made you do one thing enable building owners to deliver flexible workspace directly to customers. We'll get onto SpaceX made later in our conversation, and unpick exactly what it is that you do. But I always like to start the discussion around how you got into property and why.

00:01:00:21 - 00:01:24:00

GUEST

Yeah, I've got to be honest, there wasn't really a like a lifelong plan to be in real estate. There were no connections in real estate, no family, no work experience, a real estate. I sort of found myself actually doing a law degree at university because, quite frankly, I didn't know what to do at university. And I thought it sounded impressive.

00:01:24:02 - 00:01:40:13

GUEST

So I thought, oh, I'll go and do that and, see where it takes me. So I enrolled on a law degree, and I caught up about midway. Everyone starts talking about doing, like, placements in law firms and getting contracts as train lawyers. I thought, well, I better check it out and see if it is for me.

00:01:40:15 - 00:02:02:01

GUEST

And I spent a summer putting my second year at some city law firms, and quite quickly I realized it was definitely not for me. Yeah. For me, it was sort of deathly boring. Which doesn't mean, you know, it's boring to lawyers. Lawyer lawyers love being lawyers. But for me, it was like, almost like doing, like, I guess, like, homework all day long and all night long.

00:02:02:03 - 00:02:22:03

GUEST

But, for, for 1 or 2 weeks during that summer, I spent time in a real estate team, one the law firms, and sat in loads of their meetings and actually all the clients were talking about. I thought, wow, that is interesting. So I came away from that. Thank you. I'm definitely not going to be a lawyer.

00:02:22:06 - 00:02:39:24

GUEST

I wouldn't be a very good lawyer. But this real estate thing could be interesting. So that's kind of where it started. I thought, what if if you wanna get into real estate, I do know about it. Still be quite good to be a trainee or grad scheme. Half in the closed. Yeah. Didn't have much experience.

00:02:39:24 - 00:03:00:13

GUEST

I just sent off sort of CV's and applications, the remaining few, and, I don't really know why, but PMP Real Estate, which was then called at, is real. Paul BNP going through a bit of a transition and maybe once someone a bit different, the normal person they had before. Yeah, they let me in.

00:03:00:16 - 00:03:01:22

HOST

As a non cog.

00:03:01:24 - 00:03:02:11

GUEST

As I'm not.

00:03:02:11 - 00:03:06:06

HOST

Yeah. So having not done a real estate investors or an undergrad, you came in as well, right.

00:03:06:07 - 00:03:24:19

GUEST

Law degree. Yeah I remember the night before I started actually, my dad said to me, you know, don't you know what a yield is? I'll tell you what nonsense he talking about. You know. And I literally started with no knowledge, obviously there for like, two years on a rotation scheme. Yeah. Long call. So they sent me off and paid for quite nice.

00:03:24:19 - 00:03:37:26

GUEST

Very nice of them to pay for. I sort of postgraduate degree. So I thought what could go wrong? You know, it's been two years that I've worked out things for me or not. And it was. It was great. It turned out well. I had a good time. It's really nice people.

00:03:37:29 - 00:03:40:11

HOST

And you, you were a BNP for seven years?

00:03:40:13 - 00:03:56:24

GUEST

Yeah, I think so. Yeah, it's quite long time. So I started in oh five. Yeah. And so 507I was on the grad scheme and of course I saw your name was top of the market, you know, and spent time in the city office with some great people. And there's a lot of fun real estate, you know, back then, especially quite heady.

00:03:56:26 - 00:04:12:05

GUEST

And then I qualified and got a place in the city investment then team. And then the crash happened. And I thought, oh, shit, I better just really work really hard and see if I can keep my job. So that was kind of the plan really initially.

00:04:12:07 - 00:04:16:07

HOST

And you were city investment development for the remaining five years?

00:04:16:10 - 00:04:16:18

GUEST

Yeah.

00:04:16:18 - 00:04:18:29

HOST

That's right. Before looking to.

00:04:18:29 - 00:04:38:17

GUEST

It. Yeah. So, I've got some really great exposure. And I think the benefit of working at a really large company strategy, adversity is that you do get early on big exposure, even just being sat in the room. So it was really was really cool. And I always advise all young people they can if they can get in, that's great to try and do it.

00:04:38:17 - 00:04:59:02

GUEST

But what I've, what I was quite, I guess a little bit impatient after a few years and what I kind of realized, there's probably similar all sorts of big companies. There is sort of really hard to like, make the really big clients your own. You kind of you can't go away like ten, 15 years and, I thought I didn't go and wait that long.

00:04:59:08 - 00:05:18:08

GUEST

And as a sort of transactions guy at the time, I wanted to sort of just get stuck in and, and work for those big pension funds. You we were able to. So it was partly that was getting a bit frustrating, but also I always had it in me that I wanted to do something a bit entrepreneurial, and I think I probably bit worried that if I left it really long, you can see it happen.

00:05:18:08 - 00:05:24:00

GUEST

You kind of you end up sort of staying for a lifetime in those types of roles. So I felt like I had to do something, jump off the ship.

00:05:24:00 - 00:05:28:26

HOST

As a mortgage. Kids husband, wife. You know, your risk appetite reduces.

00:05:28:26 - 00:05:47:15

GUEST

Yeah, I can do, can do. So the opportunity came up to, I was working for like a really great guy called Sean Gove. And at the time he sold his agency, business school, Morgan Pepper, with a couple other really great people to, to BNP. And he done now and, I think he was so ready to do something again.

00:05:47:15 - 00:06:07:23

GUEST

So we decided to sort of set up just a very small niche, brokerage firm, basically in a city, that was 2012. And the timing was good because we just come out for the kind of the crisis, the financial crisis. And from sort of 12, the next of three years, four years, you know, we had a we had a great time.

00:06:07:24 - 00:06:22:23

GUEST

We did deals for, you know, the likes of LJ and MJ and standard, like all the big pension funds. But it was, you know, it was probably equal measure, exhilarating and nerve wracking. You know. So you're working on quite big transactions. If they happen you years down they don't you don't have a year. So yeah.

00:06:22:24 - 00:06:23:21

HOST

Yes.

00:06:23:23 - 00:06:43:15

GUEST

You know, so it was of like, you know very exciting as a young person. But actually, you know, I had a decision to make after a couple of years in which was, you know, do I want to grow. It's become a, you know, a well known, hopefully niche agency. And then you sort of you're hiring people and you're committing really to them into the business for a long period of time.

00:06:43:18 - 00:07:03:28

GUEST

I think my thing was the, that I probably wanted some business where actually it was a bit more kind of long term rather than on the transactional side. So that's when I thought, actually, I needed to finish off my experience around my experience off and probably get a bit of landlord experience, which was kind of what was next.

00:07:04:00 - 00:07:20:29

HOST

And so moving away from, being an investment agent, peddling deals, you wanted to see through a more strategic, you know, what happens once someone's bought. Yeah. That's right. And and where where does the business plan implementation and execution and value creation come from? And then the disposition.

00:07:21:01 - 00:07:41:14

GUEST

That's right. So I think as an agent, you know, it's your skills is all about, you know, finding that deal, finding the right line and and getting over the line, which is a real skill set. But then obviously that's you that's your job done. And, that's really interesting about financing a real estate cap allocation and risk seeing a plan through.

00:07:41:15 - 00:07:56:01

GUEST

So, I probably always wanted to see what, what that was like and sort of get that experience. And so at the same time, I was having those thoughts, a role came up, which was in my sweet spot, really, which was central London investment for, for a property company.

00:07:56:08 - 00:08:21:08

HOST

So UK and European now Blue Coast Capital. So you've gone from being an a city investment development agent to setting up your own business. So demonstrating kind of quite entrepreneurial tendencies a by the line of work and then setting up your own business to moving towards a client side investment management business. Sometimes clients talk about wanting to hire entrepreneurial people, but when entrepreneurial entrepreneur people turn up, they regret it.

00:08:21:11 - 00:08:29:24

HOST

And it can also be quite a difficult jump to move from an advisory in a brokerage firm to the client side. How did how did that role come about and how how did you manage London?

00:08:29:26 - 00:08:51:04

GUEST

Yeah. Well, I think, by the way, everybody says, right. I think it is a hard I think I was employed because of that entrepreneurial spirit. And they didn't want someone who'd been handed work and actually hadn't won the work. I've done the transactions. But yeah, it really hard going, you know, in that environment if you're coming from entrepreneurial environment.

00:08:51:06 - 00:09:11:06

GUEST

I sort of had started a conversation sort of years earlier, actually. And yeah, like a lot of these things, it's all happened by chance. I kind of knew them. I knew some of the characters there, and I was I was scratching my head about that move. I got a call to say that they were looking for, you know, senior, investment guy and, yeah, one thing led to another and was the right timing for me.

00:09:11:12 - 00:09:17:10

HOST

Yeah. And so you joined the business in 2000, and you can have to help me out here.

00:09:17:13 - 00:09:21:23

GUEST

Oh, it would have been. It would have been, yeah. 16 I think.

00:09:21:23 - 00:09:22:10

HOST

16.

00:09:22:10 - 00:09:24:19

GUEST

Yeah, 16. I just ended 16 or 17 at.

00:09:24:19 - 00:09:36:09

HOST

Yeah. And so you ended up doing a couple of years at Blue Coast and you managed to, to run a number of transactions just from the other side of the table and utilize your agency. Yeah, I was involved in all sorts.

00:09:36:09 - 00:09:56:07

GUEST

Of really cool projects. So stuff which they already had in the portfolios and great development sites, getting planning and asset managing to all sorts of kind of transactions. It was a, you know, there were a small team but involved in deals globally. So it was it was a it was super interesting to be involved. Actually I wasn't there for that long.

00:09:56:09 - 00:10:10:20

GUEST

And actually but it was there that I met my co-founder, Johnny Rosenblatt. And so it's, you know, he actually came in and do some advisory work for, for, for us there on operational real estate, which is kind of what kind of from the very beginning, he's not only new in the time space made.

00:10:10:22 - 00:10:27:25

HOST

So let's, let's move on to kind of space mode. So so you met Johnny, your co-founder, and he kind of came in to pitch or give some advice. And just in terms of some of the projects you're doing, how did that first meeting then evolve to creating? Yeah, the kind of concept. And then the business of space, mate.

00:10:27:27 - 00:10:51:04

GUEST

Yeah. So I was getting more interest in operational real estate. So I'm really an office person in terms of commercial real estate, more than any other sector. And I noticed within the real estate portfolio that I was involved in a blue case that the offices were changing. You know, if you put your mind back, you know, we were kids educated, you know, the customer, the tenant in a new way, taking space.

00:10:51:06 - 00:11:14:19

GUEST

And it was getting really hard from what I could see for landlords to compete with that level of service. But at the same time, certainly there we were reluctant to sign the lease to sort of an SPV to, to an operator. So we wanted to, I guess, if we could provide these services and compete without necessarily giving up control of our asset.

00:11:14:21 - 00:11:33:22

GUEST

So I was working on a couple of transactions around operation real estate, and actually I was introduced by a mutual friend of Johnny who had actually just exit and sold his co-working business called headspace Group, which is a really cool flex business. But it was on the old way of structuring. So he took leases from landlords and then, you know, create a profit above.

00:11:33:22 - 00:11:57:19

GUEST

And, you know, he in 2017, I think he saw that that model probably was didn't have a huge future. So he'd sold that business and was sort of scratching around for the next thing. And actually, yeah. So he came in for three months and I think they both owned in us. Not immediately, obviously, but it dawned on us that actually the issue that I was having at that company must be shared across the industry.

00:11:57:21 - 00:12:18:27

GUEST

And actually, there's a major problem. And could we find a solution? And I think when you, you know, as said before, I kind of always felt I wanted to create something of scale rather than just a brokerage thing. And actually when you I think you come across a problem that you think you might be the right people to solve and it's scalable, then, yeah, if it's in you, then you want to you want to try and do you want to tackle it.

00:12:19:03 - 00:12:42:09

HOST

So at the time, yeah, typically occupiers had the option of taking a traditional lease five years plus doing all the fit up themselves or going to a we work or talk and working on a in a lounge or on a flexible basis. And those businesses were probably moving towards trying to attract more 20 or 10, 20, 30 people occupy space.

00:12:42:09 - 00:12:59:03

HOST

So you thought that there was an angle to a owner, owned the assets and manage it yourself, or provide a service for those businesses that owned their own assets but didn't have the know how, the expertise, how to, to operate it day to day. Yeah.

00:12:59:04 - 00:13:19:18

GUEST

So it's massively the latter. We basically we actually looked to other real estate markets and sectors. And as we looked at like the hotel world in a lot of detail, because we've got an hotel world, it's you've got asset owners, building owners, and then you've got operators. And the vast majority of the hotel world are based on management agreements.

00:13:19:20 - 00:13:38:24

GUEST

They have the skills to operate and they've got the infrastructure. The guy that owns the building or the fund, the property company, he's got the capital he's buying, but he's not in any way wanting to operate it. So we figured the you've got loads of landlords, they're going to want something that's right, their asset right for their business plan.

00:13:38:27 - 00:13:57:08

GUEST

But they know they're capital allocators and they're brilliant at buying assets. But are they going to build an operational business which is quite a different business it turns out. Yeah, you need scale and you need expertise and tech. So, we wanted to build something. We had to when we got together, we said, we promise each other to two things.

00:13:57:08 - 00:14:16:11

GUEST

We're going to do this company. One is, is create a great culture, great values we felt was lacking in the real estate industry. And the other one was something very scalable. So we didn't go down the asset route, asset heavy route. Because quite frankly, you know, there is a there's a speed to, to, to scale.

00:14:16:13 - 00:14:19:03

HOST

So someone like foreign Brockton probably took that route. Is that fair?

00:14:19:04 - 00:14:33:25

GUEST

Yeah, I think they took that route. But they obviously wasn't solving the problem that we were trying to solve either. Yeah. You know, if you want to solve a problem for a building owner, then, you know, obviously you're not going to buy assets. You've got to help them. So yeah, but that's right. I think those guys have got fantastic businesses owning the real estate.

00:14:33:25 - 00:14:45:13

GUEST

And actually then you get control as well. So I think that's perfect. But for those people that weren't going to, you know, do that. We thought we could create an asset light business based, an operating agreement. So that's that's kind of what we did and that's what we do.

00:14:45:21 - 00:14:58:08

HOST

And from a, from a kind of a how did you go about having created the business idea, minimum viable product? How did you go about funding it, rolling it out and setting it up? Fundamentally?

00:14:58:10 - 00:15:18:19

GUEST

Yeah, it's a great question. I think, you know, that day one, it was literally just joining me and and we took a very bright, person on to sort of be the third person in the room is our first employee. We took an office. We had we had a whiteboard squared the problem, and we were like, right. We kind of an idea, the solution, but how is it going to work out?

00:15:18:20 - 00:15:46:02

GUEST

So it was, you know, it was really startup startup. But we basically took the view that we had to start with entrepreneurial landlords because we felt whilst Johnny had a great track record in tech left space, I had quite a few connections into institutional real estate. Well, that actually we needed to test the product and we needed to have a case study for the big property companies, institutions.

00:15:46:02 - 00:16:08:06

GUEST

So we purposely just basically were very focused on getting our first couple of buildings operating. And actually this model, I guess the biggest challenge is getting from 0 to 1. Yeah. And I think that's because the old model of taking a lease as an operator, you've got to convince the landlord you're going to pay the rent. And actually Villanova doesn't have many options, as we've seen in the last ten years.

00:16:08:09 - 00:16:28:02

GUEST

More often than not they're going to say, yeah, go for it. Go. Yeah, I'll give you a lease. You pay me rent. Good luck. Yeah. This model flips on their heads. Landlords are paying us operators services on and off on a profit share arrangement, but they're taking much more of a risk. So actually to get going to get your first five spaces, get ten.

00:16:28:05 - 00:16:37:25

GUEST

We haven't got anything. It's really hard. So those first two years well this first year was all about kind of get going. And then of course, Covid hit.

00:16:37:28 - 00:16:42:12

HOST

So your first site was Queen's Park, is that right?

00:16:42:14 - 00:17:09:24

GUEST

You went to a similar time, actually. So I think that actually the first, first one was a building in Leeds. So we still operate, which a consortium of private investors, an investment company, Invest in Property was bought as an already trading serviced office building, quite tired, quite, quite, quite generic. So they put us in kind of an acquisition to rebrand it, reposition it and operate it for them.

00:17:09:26 - 00:17:29:12

GUEST

And that was in Leeds City Center Square, Park House. And and then yes, we, we had a space that we launched, in the middle of Covid June 2020. In Queen's Park as we felt that we kind of always like the suburb markets, of course, have come roaring, because of flexible working and been working close to home.

00:17:29:14 - 00:17:31:12

GUEST

But yeah, that's one of that was one of our first as well.

00:17:31:15 - 00:17:47:00

HOST

And and you're probably more likely to find, yeah, a high net worth or consortium or smaller property companies owning space that isn't been optimized effectively in those more suburban locations rather than prime central London. Initially to prove the concept.

00:17:47:00 - 00:18:10:12

GUEST

I think that's right. Those guys often they're the sort of people who are usually slightly ahead of the curve that will, they can see that market move and they will be the first ones to react to it. Yeah. You know, really super small, operators in the market. And yeah, that's right. You know, they've got the sort of assets that they were happy for us to, and in us, you know, they knew our background.

00:18:10:12 - 00:18:27:20

GUEST

So they trust, you know, that what we do, you need a trust. Now we've got, you know, much growing portfolio, loads of live locations. We've got all the data points. People can come and look at it and see for space. So actually, it gets so much easier when you call that. But back then, of course, we didn't have all that.



00:18:27:20 - 00:18:33:10

GUEST

It was based on reputation and believing in in us and what we were trying to achieve.

00:18:33:12 - 00:18:46:07

HOST

So you had to build the the operational infrastructure. You convinced the the landlord to allow you to operate it. Do you also have to go out and get the tenants as well as that part of you went?

00:18:46:09 - 00:19:12:01

GUEST

Yeah, we we operate absolutely end to end. So we built a full operation infrastructure that the very best operators on the leases will have set everything from we have in-house interior design, project management all the way through to finance, operations, tenant sales, marketing, fantastic team. It's completely interwoven so the landlord doesn't have to do anything, but it's their, their it's their operation.

00:19:12:01 - 00:19:34:07

GUEST

They see everything. You know, we've got this amazing dashboard that Nick and our team built. The landlord can log in every day and see everything the the ten year schedule as one member might join or leave full power now linked to the budget. Everything. So it's very much transparent. It's very much the peer now of a landlord, but absolutely all done by us.

00:19:34:07 - 00:19:44:18

HOST

So all hands off they can they can trust you to get the building fully operational as quick as possible, and then sit back and check all the data points and see how it.

00:19:44:18 - 00:20:01:09

GUEST

Yeah, absolutely. And they can be involved as well. Like you know we create we create micro brands for every location. It's all linked to within the space. My network on the on the space Me website marketplace. But we often involve the landlords and a lot of that decision making. And also you've got a member, you know, we're working with some, you know, big developers in institutions.

00:20:01:09 - 00:20:27:10

GUEST

Yeah, we signed a deal with CBRE. I am on Brindleyplace. Ten place places, 200,000ft<sup>2</sup>. And it's all about integrating the flexible space in their development, because what those developers don't want is to then carve off a floor or two to an operator with their brand, and they and it might be on a mandatory management agreement. It might have been a profit share, but essentially is the operator's customers and it's their space.

00:20:27:12 - 00:20:49:02

GUEST

What we're finding is that more and more developers and owners of assets and funds, they want to integrate flexible workspace into the, into the customer journey of all the tenants in the space. So if you've got a traditional floor of 20,000ft<sup>2</sup>, let to a law firm, you will then be able to use that flex space. You want them to be able to use the meeting rooms.

00:20:49:04 - 00:20:53:11

GUEST

Therefore you need control, transparency on that flex space.

00:20:53:13 - 00:21:01:27

HOST

And from a pricing perspective, is it universally price across all your space? So does the landlord set the pricing for the customer coming in.

00:21:02:01 - 00:21:28:11

GUEST

So that each location has its own business plan? And that's super important because we create like the the right space. That's from look and feel to pricing for that location and that business plan. So we've got spaces as diverse as on the Strand in central London. To to Leeds, to London Fields. They have they attract a very different customer who wants a very different experience.

00:21:28:14 - 00:21:48:23

GUEST

It has to be absolutely top notch across the experience, but a different experience and therefore different price points of different location. So we work with landlords and you know, quite frankly, the landlords, they are they are signing long term agreements with us because they kind of want us to lead on all that pricing and tell them, yeah, and to service and educate them about the market.

00:21:48:23 - 00:22:07:19

GUEST

You know, they love seeing the model, the cash flow. You know, what does everything cost the coffee beans. They love seeing it because up until now they've been cut out of our market. It's all been within the operator even as a tenant. So absolutely we love landlords being involved, having an okay, but ultimately living up to us in terms of, you know, how it actually operates.

00:22:07:21 - 00:22:21:29

HOST

Yeah. So you've just, opened your 10th location. You said you built out your teams and your infrastructure. You just give me a quick snapshot of space made right now and then what the plans are, for the future as well.

00:22:22:01 - 00:22:50:09

GUEST

Yeah. So space moved right now? Yes. We've we've we've signed our, 10th vacation. With another, we know that there's of almost five that we'll be signing in the coming weeks and months. So the growth is all about for us. We've got to a size now where we've proved the concept. And it's about scale, you know, scale, because the bigger the network, the better it is for the customer.

00:22:50:12 - 00:23:09:27

GUEST

Yeah. Because that's I think what some of the big global operators have, you know, at a really well scale. Now they've done it on this sort of cookie cutter approach, which is absolutely fine, the same way there's a great market for Premier Inn, Travelodge, and Hilton. But actually we're, we're building something a little bit different, which is scale.

00:23:09:29 - 00:23:31:12

GUEST

We want to get to 60 locations, which we're on track for in the next three years. Because it's great for the, customers to drop in different locations. It's great for the landlords because actually you can attract those customers that want to pay good prices because there's the network. And as for us, as a business, if you're growing a scale business, attract the talent.

00:23:31:12 - 00:23:43:14

GUEST

You need to be a business that's got vision and growth. And actually now we've got to a point of, as you

said, ten plus locations. It's just about it's just about scaling, attracting about the very best talent into the business.

00:23:43:17 - 00:24:03:27

HOST

So for you, you will be competing, no doubt, with the businesses like GP or Land Securities or British Land who are building their own product. You'd be going to those businesses that don't bother building your own products, give that hassle to us, we'll take it off your your hands and we will be able to give you full transparency and visibility over the operations.

00:24:03:28 - 00:24:21:06

HOST

You'll be able to have full responsibility for. Why not? We'll have full responsibility for it. So are you trying to now move away from smaller, more entrepreneurial? Buildings in peripheral locations to work with bigger, larger landlords with more footprint across the UK?

00:24:21:10 - 00:24:47:14

GUEST

Both absolutely. Based on what we're building in our locations, close to home and city centers, we have absolutely fundamental because flexible working and our view is not going away. You know, we don't think that the majority of people who are working 2 to 3 days in a city center are going to go back to five days and actually the demand to have choice, across both those locations is paramount.

00:24:47:16 - 00:25:11:02

GUEST

So we we've somehow become the largest operator of close down workspaces in London, and we're growing the city center, portfolio rapidly as well. So we want both we want to work with both, quite frankly, and we've, you know, I lost, the space that we announced, recently, in Putney was with a private property company and will absolutely continue to do those deals.

00:25:11:04 - 00:25:39:25

GUEST

I think, partnering with the major institutions, adds something else to us, which is, you know, sort of the trust that if people like CBRE, IMS, the Whittington Investments, southern housing groups signing ten year management agreements, you know, it's something that we're really proud of and we hope to see great jobs in the multiple locations for those same, platforms.

00:25:39:27 - 00:25:59:06

HOST

So what you touched on the kind of the flexibility piece there and working working from home, working in office city centers or more suburban locations. What's the data saying? Or what would the kind of typical customer, you know, occupier journey be? What their you know, what would their day be like? Do you have any visibility on what the data says?

00:25:59:08 - 00:26:23:07

GUEST

Yeah, I think we're in a slightly unique position actually, because we've got, as I said, quite a few of these closed down workspaces in London on Queen's Park, Cricklewood. We've just launched Wimbledon, we've launched, you know, a couple of months ago, and it's pretty much full. And, you know, we've got these data points. It's super interesting. It was telling us, I think it's telling us the, there are a huge number of people that want to work place to home.

00:26:23:13 - 00:26:47:08

GUEST

I mean, put the data behind it. You know, that portfolio is at 90% or 92% occupancy. You know, which is

staggering. And some of them are 100%. So, you know, the demand is there. I think it's really interesting to look at the days of the week people are coming in or suburb spaces versus citizen spaces, you know, when they see center spaces, you obviously see that Monday, Friday, massive drop off.

00:26:47:10 - 00:27:12:06

GUEST

Yeah. Whereas the cyber spaces, it slightly reduces but nothing like that. So we do have some interesting data. We love talking to landlords about that. I don't know. I think there's data in the market, not the real estate market, but flexible, flexible working and as we know the data, 84% of workers who had to work from home during Covid say that they were always going to work and mixture now.

00:27:12:08 - 00:27:30:15

GUEST

And but, you know, quite frankly, they need that data just like your friends, your family, yourself. I mean, the the real estate world, it does make it does make me laugh because there obviously is a there's a very vocal crowd of you got to work for the whole time. And I think when your salary depends on it, I totally get it.

00:27:30:17 - 00:27:48:27

GUEST

But that's just not the reality. The reality is, is that there is a great there's a great benefit to working in an office. It's also a great benefit of not commuting all the time as well. Yeah. So what we're trying to do as a business is provide both. And I think that's the beauty now of this network that you can go and drop into it twice.

00:27:48:28 - 00:27:52:02

GUEST

Same workspace some days a week and a city center nowadays.

00:27:52:05 - 00:27:57:26

HOST

Just moving on to, you know, you've got a right to say you've got a team of 18 at the moment.

00:27:57:28 - 00:27:59:03

GUEST

I think I've lost count. Yes.

00:27:59:03 - 00:28:11:25

HOST

Lost count. So your headcount plans and projections are going to grow as you scale the platform. What would have been your learning so far? Just around recruitment and and talent attraction and getting people on board.

00:28:11:26 - 00:28:13:20

GUEST

It's expensive.

00:28:13:22 - 00:28:15:13

HOST

Whereas a cost or is it an investment.

00:28:15:20 - 00:28:16:24

GUEST

I mean you've recruitment face.

00:28:16:27 - 00:28:28:17

HOST

Yeah. Recruitment face. But in terms of getting people into your business, you know, I don't know if you've had mis hires or just be interested to know what your you.

00:28:28:18 - 00:28:49:05

GUEST

I've, it's for us that we're a service provider. The, the tech piece is really crucial and it's a really big part of what we do. But the people and the operation we build is fundamental. I think we all, I think, do I think there's two things going on. I think we are in a very active part of the market.

00:28:49:08 - 00:29:13:12

GUEST

So the flex space is doing, I think, considerably better than some other areas of the market. So I think it is, you know, is competitive. But, you know, I think one thing that Joy and I speaking on his five as well, I'm most proud of is the culture that we're building. And I, you know, having worked in various organizations, you know, oh yeah, great businesses.

00:29:13:12 - 00:29:36:23

GUEST

But we're trying to build a sort of culture that we think is far better than exists in the real estate industry. And they said, for example, you know, we value transparency beyond anything. And that goes with our team, with the end users, with our landlords. Like that dashboard, we completed a fundraiser recently and we, closed it off.

00:29:37:00 - 00:29:56:10

GUEST

And then John and I pitched to the whole business, to every single person in the business. And, and the reason for that is transparency, because we said to them, our investors are here on this journey with us, and we want you to be in this journey. So that's super, super important. So look, I think when we even try to track people, that does help.

00:29:56:10 - 00:30:23:25

GUEST

Having the right culture. And and then I think to get the best talent, you've basically got to have a great big vision that you believe in, because if you are best at what you do in anything, whether it's marketing, you know, tenant sales, the law, actually, you want to be in the growth business. So we've got, you know, we could be doing those two things and at the moment we are and, you know, thankfully were hiring some great people.

00:30:23:27 - 00:30:39:00

HOST

What does the, the future of space, mate? Look, you've got very grand ambitions and no doubt international expansion, would have crossed your mind. Well, yeah. What does the future space might look like?

00:30:39:03 - 00:31:05:12

GUEST

Yeah, it's a good question. So at the moment we are solely focused on the UK market, because we think is a massive opportunity. You know, we think we can get to our 5060 locations just in the UK over the next couple of years. Yeah. I, we I've seen plenty of businesses that have spread themselves too thinly and go global because, you know, it can be biting, you know, to think that actually there's really other big markets out there.

00:31:05:14 - 00:31:28:06

GUEST

I think it's a risk. I think if you can pull off brilliant things. Right. So I think for us right now, you know, we've established a fantastic operation platform in the UK. There is a huge amount to do. So we're solely focused on that. And as you said, you know what we built, is scalable because we're not taking odorous leases, that require massive CapEx.

00:31:28:12 - 00:31:34:23

GUEST

So it is scalable and it does it would translate to other locations and territories. But that's not for right now.

00:31:34:25 - 00:31:55:03

HOST

From what what is it about the property industry that you love and keeps you, keeps you here from from starting off in a, in a law degree and not really understanding the real estate world per se. Certainly. You'll know what a yield is now, but what is it about the the real estate industry that you love, you know?

00:31:55:03 - 00:32:14:19

GUEST

Well, I think I love it more now than I probably loved it at the beginning, if I'm honest. I think when I joined the industry, I was probably a bit surprised about in some areas, you know, it was more fun than analytical or customer focus. I thought it might be. I look, the real estate industry is vast.

00:32:14:19 - 00:32:37:18

GUEST

You know, you can be a banker, an agent, you know, design. So estate, I guess in the, in the, the er that I have specialized in, in the office world, it's changing, I think, more now than ever has. And actually what I love about it now is the customer focus. And I think that was lacking before, I think I what I found frustrating was all about transaction.

00:32:37:21 - 00:32:56:02

GUEST

Can I buy can I, can I somehow get any reason for that? And I know, you know, there's always going to be that market, but I think for me that wasn't as interesting and exciting and I wanted it to be I know, I think I love probably, building a business as much as I love real estate.

00:32:56:04 - 00:33:18:25

GUEST

And I think if I fell into, I like to think I fell into, like, insurance or whatever, I'd be doing something hopefully entrepreneurial. Then I think real estate is a great opportunity for so many people now, because it is it's changing for. Right? Yeah. That sort of valuation remedies. All that stuff's changing. It is coming super operational. We look at like a press of what's happening in retail.

00:33:18:25 - 00:33:30:22

GUEST

It's become experience turnover, revenue partnerships. It's all changing. And I think it needs a different skillset. I think it's probably the most exciting periods to go into, but I think it's a risk to some businesses. But the opportunities there.

00:33:30:25 - 00:33:52:11

HOST

In terms of advice, what advice would you give someone entry into the real estate world? Now, as someone who has come in and has reinvented yourself one way or another throughout your career, and certainly at the forefront of, the flexible work space, journey, what advice would you give to someone.

00:33:52:14 - 00:33:53:05

GUEST

Coming in now?

00:33:53:06 - 00:34:04:07

HOST

Coming in now? And then maybe someone who's looking to to leave a traditional real estate, career.

00:34:04:10 - 00:34:24:23

GUEST

Yeah, I think my what I said initially still stands true. Which if you can get big broad experience upfront, I think it's great. So I think they there's still a vast amount of the real estate market working on the old, on the older model. So I'm gonna be pretty careful about trying to emulate what's gone before.

00:34:24:26 - 00:34:44:16

GUEST

I think you've got to work with people that you think are doing something innovative, something interesting, something exciting for the future. I think the last thing that you probably want to do is work with people that are hanging on to the old, but also, I think it's good to know yourself, and I think you need to know what you can excite you.

00:34:44:18 - 00:35:05:16

GUEST

So as I take it, you know, I, I sort of invested my time as an employee. I worked super hard, but actually, I knew deep down I had to go and do something a bit entrepreneurial. And for me, you know, it was probably scarier not to to think, oh, I'm going to be sort of sat here for 30 years, which is which is not a bad thing.

00:35:05:19 - 00:35:24:18

GUEST

Yeah. And actually, I think if you know that that's probably best for you, then I think it's all about finding great business that you can add value to work with great people. And if you got value, you know, you do very well. I think if you have that itch inside you to do something entrepreneurial, then I think there's never been a better time.

00:35:24:20 - 00:35:50:18

GUEST

And, you know, what is it is the young person is always the balance between and you must say, I guess, like being super ambitious and and impatient and it's getting the balance right, you know, I mean, I think I, I had three roles before I set up space made, you know, from, I mean an a seven year full until late all CV's I see now, I think a year and a half is is considered a long period of time.

00:35:50:18 - 00:36:14:09

HOST

Now that's a bit sharp. They maybe you. Yeah it's it's definitely that balance between patience and ambition you know and it's that that balance between, you know putting the reps in and becoming a real master of your, your craft and but, but not settling as well and making sure you're in the right environment.

00:36:14:11 - 00:36:14:29

GUEST

Yeah.

00:36:15:02 - 00:36:31:28

HOST

In terms of, you and Johnny's relationship, how do you manage the two different. Yeah. How do you manage that relationship? And have you segmented your roles and responsibilities? And g focus on one area of the business, and does he focus on another area?

00:36:32:01 - 00:36:50:24

GUEST

Yeah. Look we've had sales. We've grown I mean right, the kingdom we did everything together. You know, we were we were sort of a tiny little startup. And we're still, you know, we're still very much a startup as we've grown, especially in the last 18 months. We yeah, we absolutely do. You know, take responsibility on a day to day basis for different parts of the business.

00:36:50:24 - 00:37:26:12

GUEST

And we some leaned into, I guess, our experience and what kind of we you know, what we what we enjoy what you say. Hey, Johnny is a phenomenal operator. He is fantastic at, it's called being customer experience, and design. And I like to think I've got enough experience on the landlord side to work on those partnerships, those those initial meetings, those pitches that finance the legal structures and, and on the operational side of the business as well.

00:37:26:12 - 00:37:49:02

GUEST

So yeah, we have our, we've, we have segmented. We are hopefully, dividing the workload. But ultimately you know what. Every day there's another challenge. Every day brings a different set of challenges and, and growth and excitement and quite frankly, yeah, we're we're speaking to other teammates. You know, I'm saying a lot of it is,

00:37:49:04 - 00:38:10:07

HOST

Is shared at the moment. Well, you, you launched your business in, in Covid or during Covid. And we both know the, the news and the, the economic headwinds that are being bandied around. What are your views on the market at the moment? Given the noise.

00:38:10:10 - 00:38:29:08

GUEST

Yeah, I my sense is not to be too pessimistic on markets, the capital markets, but you know, we do see I think every decade or so a, a sort of repricing and you never quite know why and how and how it's going to come about. But now we're in for appear to adjustment. I if you can call it adjustment.

00:38:29:08 - 00:38:51:22

GUEST

But it could be more than that. Yeah. I think there's a bit of a perfect storm out there for, for certain parts of the market. I mean, if you look, if you've take offices, for example, you've got more vacant space than a thing we've had since 89, I think in London, something like 15 million, if I remember rightly from the stats out recently.

00:38:51:24 - 00:39:22:07

GUEST

So you've got your structural change, you know, that's due to ten is on the you must face any more flexible working. So that is a massive structural change happening right now when a retail's had that, you know, five you know within five last five years. And so offices got it now. But at the same time they've also got a sort of a, an energy efficient kind of cliffhanger, where, you know, in the next 5 to 7 years, a lot of, buildings aren't going to be fit for purpose and tenants won't take them.

00:39:22:09 - 00:39:47:17

GUEST



So you've got a structural change of people have. Yeah. People working new, different office space. Space that's inviting and that's, called community events and is easy to move in and out. So not going to want a lot of the old traditional stuff. You've got the CSG thing, which I think renders a huge amount of the market unusable, and then you've got a, a looming recession with interest rates moving higher and higher, and that will clearly have a knock on effect for you.

00:39:47:18 - 00:40:05:13

GUEST

So I think there's there's a ton of issues for the space, but there's a way. But that always brings opportunity for you. We saw it and I always seen it's you know those that are, you know, well capitalized and have a sense of the future because that that will be opportunistic like always. But there'll be some pain. Yeah.

00:40:05:16 - 00:40:30:08

HOST

So I ask everyone on on the podcast as we kind of draw to, to a close, and I appreciate you're not a, an investment or an individual who works in an investment, private equity firm, as such. But if you were given 500 million pounds worth of equity or if you were given, you know, resource that would really compliment space made.

00:40:30:08 - 00:40:36:14

HOST

Who are the people? What property and which place? Would you be looking to deploy that? Gosh.

00:40:36:16 - 00:40:38:20

GUEST

Because there's a lot there, that's.

00:40:38:22 - 00:40:42:03

HOST

Dead or alive, you know, mentors.

00:40:42:07 - 00:41:02:14

GUEST

Yeah. I mean, look, I, I'm probably slightly talking my book. Kill my on my answer before I, I think it's linked to this, which is I think the opportunity is where people are accessing. And I think, you know, we know the just thinks has been the hottest market for, you know, the last decade. And the office wall is probably unloved.

00:41:02:16 - 00:41:34:10

GUEST

I think that's where the biggest opportunity is going to be. So if I. Yeah, if you've given me 500 pounds of equity, I'd be looking to be buying office buildings, city centers and suburbs, of course, that are owned by I owned by the last generation of owners. And that could be private individuals or funds who actually are saying no thanks to real estate or offices anymore, because we actually love the bond like stuff.

00:41:34:10 - 00:41:54:16

GUEST

That used to be what we bought. And it's really either short income, it's operational, it's not for us anymore. Those guys, I think, are going to have to sell at some point, want to and there's going to be people that won't necessarily want to reinvest in the assets for the coming up. So I think it's going to be an opportunity.

00:41:54:18 - 00:42:16:18

GUEST

I think you've got to operate. Who would I give the money to? So I think this is a great businesses out there. I think, I mean, look, look, take someone like a Blackstone, for example. You know, I love thematic investing. I like trying to read the big structural shifts coming into the market, you know, things like retirement, living.

00:42:16:18 - 00:42:38:29

GUEST

I think it's got a really interesting future, press. But I think people like them. They pick a theme and then go really, really long with it and create a platform, an operating platform. So I, I think there's probably other people out there as well. But I also need a I think if you know, now is the, the moment to have that money.

00:42:39:01 - 00:42:48:12

GUEST

But it's harder than before. It's harder. It's not just going to be about buy now quickly move on. I don't think I think it's going to involve a whole lot more.

00:42:48:14 - 00:42:59:28

HOST

Well done. Thanks so much for coming on the podcast today. We, really enjoyed working with you and supporting you and looking forward to, watching you grow space, mate. So.

00:43:00:00 - 00:43:04:07

GUEST

Thanks very much.

00:43:04:09 - 00:43:24:12

HOST

Thanks for listening to this episode of the People Property Place podcast. If you found it insightful, feel free to share it with a friend or colleague. Subscribe. Give us a rating like or comment. It helps tremendously. It'd be great to hear from you on LinkedIn. I'm super open minded to recommendations of which guests you think we should get on the podcast, or areas of the market that we should explore further.

00:43:24:18 - 00:43:57:03

HOST

So do drop me a message. The People Property Plays podcast is powered by Rob on the team recruit, experience, talent for real estate, private equity firms, investment managers, rates, property companies and advisory firms across the investment asset management, development fund management, ESG cap market, investor relations and general practice space. So if you're considering your career options at the moment or looking to attract top talent to work for you, head over to the website [Twitter cockburn.com](https://twitter.com/cockburn.com), where you can find a wealth of resource to aid your search.

00:43:57:06 - 00:44:00:00

HOST

Have a great day wherever you are and I look forward to catch you next time.