

00:00:03:27 - 00:00:24:28

HOST

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

00:00:25:00 - 00:00:47:06

HOST

Welcome to the People Property Place podcast. Today we're joined by Bianca Tristao, co-founder and managing partner of Comfort Capital. Comfort, our owner managed UK and European real estate investment and asset management business, which was launched in 2022 with her co-founder, former head of investment management at Avignon Capital, Phil Walker. Welcome to the podcast.

00:00:47:08 - 00:00:48:03

GUEST

Thanks for having me.

00:00:48:05 - 00:01:03:04

HOST

Not at all. Well, thanks so much for coming in, to the office and to the podcast studio. So a place I always like to start these conversations is how you got into property. And I think, especially given the fact you did languages. Think French and Italian at Bristol Uni. How did you how did you choose that course?

00:01:03:07 - 00:01:05:10

HOST

Before we get onto the secondary property question.

00:01:05:11 - 00:01:26:12

GUEST

Yeah, sure. I suppose I had a bit of an unusual start in my career. I had absolutely no idea I wanted to do property or estate at school. So from my perspective, I just followed my skillset, my interests. And I grew up bilingual, Portuguese and English, so I had a sort of a natural, naturally gravitated towards all that other languages and other cultures.

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GUEST

So just sort of followed that towards university, but no idea what it would lead to at all. And then I suppose I got to about Sergius or two of my friends graduating and getting jobs and thinking, oh God, I really need to decide what I need to do here or what I want to do here. But I knew, I, I knew I was sort of financially minded, so I did I did consider a career in more traditional finance sectors.

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GUEST

And, members of my family had gone down that route, so it didn't feel completely foreign to me, but I just felt a slight disconnect with, with, you know, elements of the financial sector and, and all the other asset classes. So I was like, how can I make a link between something a bit more tangible, but also use my skillset in, in finance or basic skills at that time?

00:02:12:13 - 00:02:26:02

GUEST

So, yeah, I sort of connected the dots between between real estate and other asset classes, sort of walking through Paris and my year abroad actually, and thinking, oh, actually buildings. Yeah, that could be quite interesting. So just just went from that.

00:02:26:03 - 00:02:28:15

HOST

I didn't have anyone in the family who was in real estate.

00:02:28:15 - 00:02:46:27

GUEST

No, not at all. Not, no, not at all. I mean, my the background for my family was quite entrepreneurial. So it's always been a family run business for sort of four generations, which started in coffee trading. So really no link whatsoever. It's a real estate. And I think I wanted to pave my own way, to be honest. So I quite liked that no one was in it.

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GUEST

I mean, it's at this like challenge when you're entering it because it is a people industry network has a huge part to play. But ultimately, you know, you get on the phone with a few peers and friends and before you know it, you've been put in touch with with some interesting people and you get your work experience and then it just snowballs from there.

00:03:04:23 - 00:03:18:15

HOST

So how not having any sort of prior context, how do you choose your masters at CAS? How did you go about did you just work out that you needed to get a masters in it, or did you want to kind of test, real estate before you kind of committed a career?

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GUEST

Actually, it's probably more the former, although the latter seems like quite a quite a sensible approach, but I'd say it's more the former. So I before I graduated my undergrad at Bristol. So I did a couple of work experiences and very casual, sort of informal through friends of friends and realized that actually it was an industry I liked and wanted to explore further.

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GUEST

And some advice I got at the time, and given my sort of very basic to to know understanding of what real estate really entailed, was to go through the graduate scheme process. And through there I could sort of tap into various disciplines and find a route that, you know, I gravitated towards. So to do that, I had to do an RCS accredited course.

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GUEST

To be honest, the master's for me was and was a little bit of an end to mains. I would have liked to have done a master's later on in life, but to be honest, it was the perfect route to where I ended up going and I don't. I've no regrets towards that. And Cass was now. Baz was a relatively easy choice for me.

00:04:14:17 - 00:04:37:00

GUEST

I wanted to be in London. I was a Londoner, my friends were here that graduated there, working, so I wanted to be near that hustle and bustle. I also quite like the sort of international factor, I guess, by nature of my international background and speaking different languages. I liked that London attract not just your traditional sort of real estate professional style English, British professional.

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GUEST

So? So yeah, couscous felt like a good choice. And then halfway through that just went through that process of of applying for tens of different grass games and in the larger corporates.

00:04:48:06 - 00:04:51:16

HOST

Yeah. And so you did the milk rounds and landed at Knight Frank.

00:04:51:19 - 00:05:08:18

GUEST

I did yes. Landed at Knight Frank. So got a couple of offers. Knight Frank was definitely my preferred at the time. Again I didn't really know what I was getting myself into. I, you know, I'd obviously picked up the basics on what valuation and asset management meant, but I didn't really know what any of it meant in practice.

00:05:08:18 - 00:05:22:03

GUEST

So sort of showed up at Knight Frank and all these grads around me saying, oh, I'm going to be a property developer, or I'm going to work in hotels. And I had absolutely no idea. So for me, the graduate scheme and sort of rotating it across different departments was was ideal.

00:05:22:03 - 00:05:29:04

HOST

And so you having kind of looked at your background on LinkedIn is city in European Cup markets and then hotel and leisure grounds.

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GUEST

Exactly. Yeah. So the start in in city Leasing was fantastic because it's such a good launching pad for the building in that work early on. And very importantly as you're forced to see buildings which I know sounds like quite a stupid thing to say, but one piece of advice I would definitely give at anyone's early stage their careers go inspect buildings.

00:05:51:06 - 00:06:07:22

GUEST

I think we sometimes forget, especially in this day and age, and we just sit behind emails or cash flows. But you need to you need to go see the physical context and see in front of you. So as a result, I was able to to visit and inspect quite a lot of buildings in that first rotation in that first year.

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GUEST

And it was quite nice being quite a small insular market meant that I got to know it quite well. I felt very comfortable in my time there, and from there ended up in, as you say, European capital markets getting closer to to APEC period.

00:06:21:27 - 00:06:25:19

HOST

Did you choose that or did you get put into it because of your linguistic ability?

00:06:25:21 - 00:06:48:26

GUEST

Well, I didn't choose it, but I also do I don't we weren't we didn't really talk about the the languages element of it. It might have been a factor, but to be honest, my, my predecessors didn't necessarily speak on the languages. So it's not essential. But I'm sure it does help at the time. For example, we we I remember doing some inspections and in Italy and France and what have you.

00:06:48:26 - 00:07:17:22

GUEST

So you know, to some in some respects it does help a little bit. And then, you know, you have to do your

evaluations rotation. And I got put into hotels which, which ended up being a pleasant surprise. I have to say, I didn't see him for a year and a half. I didn't see myself being in the hotel sector or qualifying into valuations, but as soon as I got there and sort of seeing the different layers to to valuing a trading asset and understanding the operations, I found it completely fascinating.

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GUEST

So I've always been interested in how business businesses operate. It's not a traditional investment valuation where it sort of rents and capital is that you're actually looking at the operations PNL. So I really enjoyed it. And and there was a lot to learn. And in my time there.

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HOST

And so you qualified and then did you choose to stay within valuation?

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GUEST

I did, I did, and to be honest, when I left, I wasn't actively looking to move. I knew I wouldn't be there for the entirety of my career, put it that way. I knew there was an element of the glass ceiling for me personally, when that move was going to happen, I wasn't sure, but an opportunity arose that, you know, I couldn't I couldn't turn my back on.

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GUEST

So I moved quite early on, sort of a year into qualifying.

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HOST

And did you at this stage, obviously, you've built up your understanding of real estate and how it works across quite a few different markets, and you pretty had a broader network. Did you take any advice around that move or were you able to did you have the clarity in terms of the future, to be able to see the type of role you wanted and then reverse engineer it and think that this next move was the right one?

00:08:17:04 - 00:08:37:26

GUEST

Yeah, that's a really good question. Actually. I think what happened is I, I just became open to me. Right. So like I said, I wasn't actively looking, but I think there were sort of subconscious cues that go on in your head, for example. Oh, let me just tidy up my LinkedIn, that sort of thing. Let me actually check my LinkedIn messages and see what's going on and the activity there.

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GUEST

And a couple of weeks or months into this happening, I received a message from my former employer. I've known capital. He was doing the hiring process at the time via LinkedIn, and it was it was slightly serendipitous, to be honest, because they had just started buying hotels. So I suppose they went into LinkedIn and thought, right, someone with a real estate background but understands hotels, and then I come off, you know, I had the investment aspect, I had the hotel valuation aspect, you know, graduate scheme qualified all of this.

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GUEST

So we obviously connected in that way. And I did a bit of research. I honestly didn't know much about them at the time. And I just thought, well, this sounds brilliant. I mean, the way they pitched it to me is that I'd be tackling different sectors, different geographies, and a whole new range of disciplines that I hadn't, hadn't even tested yet.

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GUEST

So I just thought it was the perfect opportunity. Obviously, it's hard to to seek out advice internally because you have to be quite quiet amongst your team members. I did get some. I was quite fortunate because my now husband, who's also at Knight Frank and still is he, he was a very good sounding board for whether I should take this opportunity, because actually turning my back on on my team at Knight Frank wasn't an easy decision.

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GUEST

Like I said, I knew it wasn't long term, but I didn't take it lightly. Lightly at all.

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HOST

Yeah, it's a very emotional. I think people underestimate that. Changing jobs is a lot of very emotional process. And yeah, you've got to kind of get, get, get through all of that. So you've moved to Avignon in 2017. And were you did you have a kind of a clear remit or clear role when you started, like to work on a particular fund or portfolio, like you mentioned the hotels, but what are you just going to do, hotels or was it.

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GUEST

No, it was a little bit more broad than that. I mean, my job description was coming in as an investment analyst, so I knew I would be sort of heavily on the transactional side, but having not had experience in that space before, they thought it would be interesting to give give me a few assets to asset manage, not the incredibly intensive ones, because my focus would be investment, but sort of the more single let staff and hotels they'd started amalgamating a portfolio of hotels in the Netherlands.

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GUEST

So I did some sort of very basic asset management on that sort of stuff, you know, liaising with the tenant tenant and reporting and that sort of stuff. But ultimately my role was very much from the sourcing piece all the way through to to actually transacting and completing the deal. But there was no it wasn't sector or geography specific.

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GUEST

So it was just whatever. We were looking at an opportunity as we were looking at the time. So, you know, my first day was in retail UK for example. But yeah, we did transact in hotels, offices, retail, supermarkets, quite a quite a wide range.

00:11:19:21 - 00:11:41:08

HOST

You mentioned you had a kind of a natural analytical ability and no doubt in the European capital markets team that ability grew. And then in the valuation space, moving to the principal side as an analyst, was there a modeling test and how did you approach that? Did you kind of upskill, upskill yourself outside of work, or have you done a lot of training on the job at that stage to be able to pass that?

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GUEST

So that so that's a good question and probably answers why. And I ended up at Avignon and was able to excel there. There was a modeling test, but it was relatively basic in that they weren't looking for anyone to. It wasn't that sort of P style where, you know, you have two hours to build a model from scratch.

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GUEST

They had a model and they were looking for me to sort of plug inputs into that model, but it was more a way of testing how my brain worked in terms of evaluating or underwriting a deal. So more about the assumptions that I put into it. What I did do, which I think definitely helped, is I added a layer to the model at the time, which I ended up doing wrong, because it was just a very basic sort of unlevered cash flow.

00:12:21:24 - 00:12:40:27

GUEST

And one of the questions was, could you, you know, could you pay some senior debt into this acquisition? I said, of course you can. In fact, of models day out. And I forgot to pay back the loans to that. But they obviously liked my attempt at trying that and just saw how my brain worked a little bit. So I didn't need incredibly advanced skills, but I did.

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GUEST

I did have a basic understanding of how Excel worked, how how you could, you know, build build a model, basically. And now, you know, we don't start every model from scratch. I mean, we have a base model that we work with, but I think it's incredibly important to be able to look at one and see see when something's gone wrong or you know, how you know, is your rent review coming in properly and that sort of thing.

00:13:04:13 - 00:13:11:26

HOST

So you start as an investment analyst, and then you got promoted a year or so later to investment manager. How did your role change?

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GUEST

Well, the the most obvious element, I guess, is the is that sort of concept of managerial role. I mean, I wasn't necessarily managing anyone, but all of a sudden you have analysts underneath you, which was which is quite an an interesting change for me because I would say, and I still have this little bit and it's something that I'm constantly thinking about, but sort of I like to take ownership in the work that I do, which doesn't always lend itself well for teaching and sort of building on teams.

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GUEST

So but I actually really enjoyed the element of working with an analyst. It feels quite sort of empowering being able to to pass on your knowledge and teach. So that was the most obvious change. But my day to day didn't really change much. I mean, naturally, a few more responsibilities come about, you know, conversations with clients and investor meetings and that sort of thing.

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GUEST

But to be honest, I was quite fortunate where they were sort of forcing us to do that day one anyway. So it was just taking what I was already doing as an analyst and just elevating it to another level.

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HOST

And were you more market facing as well in terms of originating deals, was there more onus on yeah, deal origination rather than just the underwriting of them?

00:14:16:02 - 00:14:45:10

GUEST

Yeah, absolutely. Absolutely. I mean, you're definitely forced to go out more. But again, we were

encouraged to do that from analyst level. Like I said, it wasn't a very it wasn't sort of a traditional investment management firm where it feels hierarchical when you have your very sort of restricted roles. I mean, from analysts through to manager through to senior management, it was all collectively sourcing deals, underwriting naturally falls to to the analysts or the managers speaking to to the banks, to the investors, to the clients.

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GUEST

But it definitely it ramped up with time. And obviously, as I said, I was fresh to it having come from Val's background. So I definitely had to develop the skill set to to feel more confident to take it further.

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HOST

So Avignon as a business, how would you describe the investment management platform and operating partner? Yeah. Where did where who are their clients and where does their capital come from and how is it structured?

00:15:08:02 - 00:15:47:02

GUEST

Yeah, exactly. Exactly. That is a sort of investment and asset management business. The you know, I mean it's I'll talk within the framework that I know. Obviously I haven't been there for a year, but the founding partners effectively were helping private wealth get their money out of predominantly South Africa, to be honest, into the UK. So and with that, they formed a sort of portfolio of, of, of clubbing investors to get together, investing in sort of smaller retail, assets in the UK that grew and grew and grew and it became a separate account business, ranging from family offices to high net worth to, you know, medium size institutions.

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GUEST

When I left, there was there were further discussions with other different groups, you know, entering sort of private equity and, and larger institutions and that sort of thing. But yeah, it was it wasn't a fund per se, but rather sort of separate account mandates and building up deals and building up the portfolio on a deal by deal basis or, or thematic trends, for example.

00:16:10:19 - 00:16:19:07

HOST

Yeah, but makes sense. And so you must have worked very closely with your now business partner. So was he a mentor to you or. Yeah. What was that relationship like. Avenue.

00:16:19:09 - 00:16:37:25

GUEST

Yeah. He was I mean he was he was my line manager and he hired me in in the early days. So worked very closely with him. The sort of five, six years. And and yeah, he definitely showed me the ropes quite early on and understanding, you know, the cash flow element, the debt piece, which is all relatively new to me.

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GUEST

So, yeah, I'd say we worked very closely on it on a daily basis.

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HOST

So how you were on just shy of five years, you left in December 2021. How did how did you leave and then how did Coleford Capital your now business come about?

00:16:52:25 - 00:17:13:16

GUEST

So I, I left roughly this time last year. And actually, to be honest, I think sort of taking it back prior to Coleford, I was, I was I suppose a bit of a Covid cliché where, you know, for that two year period of, of pandemic and lockdown, you know, a lot of self-reflection and just thinking, you know, what's the next step?

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GUEST

To be honest, I was finding that my motivation was dwindling and it was, you know, nothing against my former employer. It was a great place to work, and I could have stayed there for a long, long time. I was incredibly comfortable and they treated me very well, but I just got it without sort of really realizing it. My in my subconscious, I just felt like the motivation is dwindling.

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GUEST

You know, I was I felt like I was stagnating a little bit. And I think I just, I felt like I needed a change. So, you know, whether it was starting up a new business or I even explored other opportunities or considered, you know, interviewing elsewhere and I just came to the realization at some point that I had to sort of leave and break the tie to figure out what that next step was going to be.

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GUEST

And again, I was quite lucky. Maybe a bit of serendipity, but a few colleagues of mine were probably going through a similar thing, and we sort of left roughly around the same time, including though, and, and that's when we sort of got together and started considering what our next move could be. And a few months later, you know, the idea of Coleford came about and we thought, you know, why not?

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GUEST

This is this is the time is now is great opportunity. And for me it was always about the opportunity cost being relatively low, which it did feel like it was at the time. So I had nothing to lose.

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HOST

And so you, you'd left, you kind of gone on this journey of working out what it is you wanted to do. Did you call him up, fill up and say, look, I've got an idea. How about it? Or did he call you up and say, look, I know you're left and you're on this journey exploring what it is that you want to do.

00:18:39:21 - 00:18:41:21

HOST

Why don't we have a further chat? How did that come about?

00:18:41:24 - 00:19:01:06

GUEST

I think it was. I think Phil was probably a bit more of the driver, but I mean, we were, you know, we were speaking quite closely anyway about ideas. I mean, I even considered at one point, you know, another avenue with, with sort of a family office that I shared with my brothers and so wanted to take some time off, but we were just chatting about what, what the future looked like.

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GUEST

But yeah, I think there was definitely a big driving force that, that that got us to where we are now.

00:19:08:04 - 00:19:14:15

HOST

And so I'm always interested in how businesses are named. How did you come up with the name Coleford Capital? Where did that come from?

00:19:14:15 - 00:19:32:08

GUEST

Yeah, so I think this maybe even answers the previous question. But Coleford Coleford Road is the right that so lives on. So I guess it's, it's probably quite telling as to the driving force so to speak, but I wish it was a slightly more exciting story. Although you know, where so Lives is incredibly exciting. I'm sure. But yeah.

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GUEST

And I mean, he tells it slightly better than me, but you know, he was put he was put under quite a bit of pressure to come up with a branding idea. And they said just, you know, come up with a name, come up with the name. So he went with Coleford. And then actually when we sat down and thought about it still actually works pretty well.

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HOST

Yeah, I think it's got a great ring to it. So as, as you kind of went through this journey of setting the business up, you know, branding it, creating a strategy, an identity, how? Because you've got three strategies that you you run at the moment. Can you just give a bit of an overview of the business as it is, and then some of the strategies that you run?

00:20:05:10 - 00:20:26:24

GUEST

Yeah, sure. I mean, our model is not too dissimilar to what I was talking about before. I mean, we're we're a separate account mandate where what we do want to do is ideal basis for private wealth. I mean, whether that's dressed up as a, as a family office or a small to medium medium sized institutions, that is investing or advising private wealth or even just, you know, what's a thing high net worth.

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GUEST

So we we operate on a deal by deal basis. But we like to we like to have conviction in sort of what the vision and strategy looks like. Otherwise, it's hard to get people to sort of buy into what we are and what we do. So with that, we have sort of three overarching strategies, but bearing in mind what our current business model is in, in the short term, we need to also be there's needs to be an element of flexibility ity.

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GUEST

And, you know, now being a positive example to sort of catalyze on, on, on shockwaves through the market. But I mean in sort of a very high level we've got business space. I mean, we're still big believers in business space that would probably look more like offices and sheds. But the key for us is to focus on sort of mission critical spaces where the they're fundamentally important for the tenants core business.

00:21:16:01 - 00:21:37:12

GUEST

There's a really strong reasons to why they're there. And then we've got sort of the infrastructure piece that we call it. I want to be like slightly clear about the infrastructure piece, because that that can be maybe a bit misleading. But the way we saw it is, we want to sort of tackle tackle strategies that are sort of directly linked to how we function and live as a society.

00:21:37:12 - 00:22:05:25

GUEST

I mean, to give you a couple of examples, you know, data centers, waste management, renewable energy, that sort of stuff. There's always, you know, you can still benefit from quite long leases at a discount to, to traditional sectors because institutions haven't necessarily been heavily, heavily involved in these particular particular sectors. So so we definitely see an opportunity there, not to mention quite attracted by the sort of longevity piece that that's directly linked to it.

00:22:05:25 - 00:22:22:23

GUEST

And then the other one is, is alternatives. Again, we're seeing institutions spending more time and money and resource investigating different alternatives, you know, whether it's health care or or hotels or education. So we think we think that those are sectors that that are worth our time too.

00:22:22:27 - 00:22:32:23

HOST

Awesome. So how tell me about your first deal. Because I think that's always a kind of a landmark moment. When you set up a business, you come up with a strategy. It's all great until you actually do your first deal and you're away.

00:22:32:26 - 00:22:52:24

GUEST

Yeah, absolutely. I mean, we got quite lucky. Well, maybe lucky is not not the right word. I mean, someone else might call it something different, but we we right are actually able to do a deal sort of straight away. I should probably caveat that it wasn't under the Covid umbrella necessarily, but as we were leaving, Avignon got a deal under offer.

00:22:52:27 - 00:23:14:12

GUEST

And and when we called up investor to let them know, they said, look, I appreciate the circumstances and what contract say, but, you know, we'd like to have you involved in, in some way or another because you understand the history behind the deal and, you know, so, so we came to really, you know, elegant, tidy solution with Avenue and where we effectively consulted to then.

00:23:14:14 - 00:23:31:23

GUEST

So like I said, it wasn't quite a call for deal per se, but it was quite a nice ego boost. Sort of leaving your previous employer not knowing what you're about to do and then having to say actually would quite like your help. So we transacted on a regional office around about May time for, for, for one of our private investors.

00:23:31:23 - 00:23:38:15

HOST

And that's a bit of a catalyst for me in terms of furthering the discussions. So what was your first deal on the Kofod?

00:23:38:18 - 00:24:01:20

GUEST

Well, in terms of actual transacting, we haven't completed on on one. We are on draft run on an on an asset, but also other areas that we're trying to explore. Growth is not purely from transacting but just growing our rate. So we were able to bring some assets under under our management sort of a couple of months into, into sort of the launch of Covid.

00:24:01:20 - 00:24:05:07

GUEST

And then fingers crossed, if all goes well, we'll be able to transact in the new year.

00:24:05:09 - 00:24:10:21

HOST

Amazing. So yeah, talk to me about your kind of assets under management and where do they fit in terms of the three strategies.

00:24:10:21 - 00:24:41:26

GUEST

Yeah sure. So those those assets it's a portfolio. It's to two supermarkets that we had bought for for a client back in 2020. And we bought them really well to be honest we it was a distressed seller at the time. So the yield was very attractive for what we were dealing with. And we were able to, to, to sort of tap into these assets because one just sort of slipped below the requirement of the institutions, the what was nine years, instead of ten years, but the blended across the two was comfortably in the double double digits.

00:24:41:26 - 00:25:06:00

GUEST

So we we brought these two under our management. I mean, this one kind of straddles, I would say probably to two of our strategies. I would go as far as saying business space because, you know, you have quite an important mission critical tenant within the real estate, but also in terms of the infrastructure piece, because it's just how we operate and functions of society and necessity.

00:25:06:00 - 00:25:09:23

GUEST

The, you know, we'll need as long as we live, I imagine.

00:25:09:28 - 00:25:15:16

HOST

So you've also hired a former IBM employee, Alice, Alessandra.

00:25:15:20 - 00:25:16:10

GUEST

Alessandra.

00:25:16:14 - 00:25:33:14

HOST

Alessandra, to kind of join as a, as a senior asset manager and I think also in the React news kind of article that went out when you launched the business, you've got plans to kind of hire a couple of other people and you just talk to me about your your growth plans from a, a people perspective and.

00:25:33:16 - 00:25:35:04

HOST

Yeah, and an asset manager spectacles.

00:25:35:07 - 00:26:01:20

GUEST

So in in the short term, I think we're very conscious about sort of not stretching ourselves and growing quite organically. The sort of Alessandra joining is, is a little bit more strategic. I mean, he has other ventures that he continues to explore, but he was a former colleague at Avignon and one of the senior asset managers there, and he actually left quite a bit before us, but ultimately became self-employed and, and still wanted to keep a foot in the door in real estate.

00:26:01:20 - 00:26:25:05

GUEST

So it was just good timing to to bring him into the fold. And then we've got two more or two more joining. Hopefully next year. We're just in the process of exploring that. One is more along the lines of investor relations, and the other is actually we're looking at a specialist and that kind of sort of leads on quite

nically into how we see our sort of growth plans, which is sort of developing certain specialisms.

00:26:25:10 - 00:26:38:20

GUEST

Because, you know, a challenge for us is always going to be, you know, what's our value add to an investor. And I think if we can just sort of develop our skill sets within certain specialisms, then, you know, that's quite an easy take in terms of what your value at.

00:26:38:25 - 00:26:48:00

HOST

Yes, makes complete sense. How do you, in field split your roles and responsibilities at the moment is there's quite a lot going on right. Yeah. How how do you split split that up.

00:26:48:04 - 00:27:08:16

GUEST

Yeah. It's it's something we've actually talked about quite a lot recently. I think at the moment we are, we are, you know, so much in our infancy sort of months into, into this venture is it's a little bit of everyone getting involved and doing a bit of everything, which seems to be working hard. And it means that we both have a very good understanding of all elements of the business.

00:27:08:18 - 00:27:30:20

GUEST

And I'm just not just talking about sort of core business or the vision strategy, but also, you know, the operational side of it, the accounting structuring and, and what have you marketing. So at the moment where we're trying to be quite efficient with our time, you know, our to do list has as four items on it. You know, we sort of divvy it, divvy it up and play to each other's strengths.

00:27:30:27 - 00:27:51:11

GUEST

But, I think if we're at the point where there's just so much going on, we'll definitely have to be a bit more sort of considered with with how we split our time. And actually, I'm even finding that in the past months that there are areas where one one of us will naturally gravitate towards, towards a certain area which which is quite fortunate, I guess.

00:27:51:18 - 00:28:00:08

HOST

Yeah. So, probably people listening. This is recorded middle of November. So, with a view to kind of launching in January. But how long has the business been going?

00:28:00:15 - 00:28:04:13

GUEST

A few months, to be honest, about six months or six months. So yeah.

00:28:04:19 - 00:28:19:09

HOST

Early, early on. Do you have a mentor or do you have a board or do you have advisors? Because I appreciate, you know, if you go back to sort of a conversation, you didn't really know much about real estate or where to start other than your your trip, your year abroad in Paris, you've built up a network. Now.

00:28:19:09 - 00:28:24:07

HOST

Do you have mentors or people you lean on to help navigate your early parts of setting up a business?

00:28:24:08 - 00:28:41:00

GUEST

Absolutely. I mean, I will take advice from absolutely anyone that's willing to give it, but absolutely. I mean, we we try to speak to the seasoned pros all the time. I think when you start setting up a business, ego just has to go out the window and you have to take advice from anyone that will give it to you.

00:28:41:02 - 00:29:02:18

GUEST

Fortunately, you know, across our careers we have sort of previous bosses or colleagues and what have you and sort of different stakeholders along the way that are more than happy to give advice. And more specifically, we are looking into the the idea of sort of a nonexempt board. That's that's actually some advice I got quite early on, is try it, try and build an nonexempt board.

00:29:02:18 - 00:29:30:04

GUEST

I mean, you know, again, it's just it's having that sort of unbiased sounding board of sort of experienced and seasoned professionals that I think you need. I think when you're dealing with sort of founding partners, it's you can sort of you can sometimes sort of talk yourself and convince yourself of a situation when you're together, but actually having someone else who has the business growth and best interest in mind, but also once removed, I think is really important.

00:29:30:04 - 00:29:33:27

GUEST

So we'll definitely be looking to to bring a non-executive.

00:29:33:29 - 00:29:51:00

HOST

And no doubt that connections to capital and everybody else that comes through come to the fray. How we're obviously in a in a relatively turbulent or choppy market and that creates opportunity. How do you view the market today, 17th of November 2022.

00:29:51:07 - 00:30:13:02

GUEST

Yeah, it's a really interesting one. I mean, first, sort of tackling the the challenging element is just how much it's fluctuating. I think, for example, you know, I've always worked with investors that are debt backed. So you know that and that's been all over the place. So yeah. How you how you price assets right now especially if you're considering debt I mean swap rates that are just fluctuating.

00:30:13:02 - 00:30:33:25

GUEST

So much on a daily basis, something that we haven't experienced for for over a decade, really. So it's definitely been a slightly challenging market to navigate in, to be honest, that that you can sort of mitigate a little bit. For me, the biggest risk is the it that sort of leads on to uncertainty. And for me, uncertainty is then stagnation.

00:30:33:27 - 00:31:06:24

GUEST

What you really need is people to be quite bold and decisive in moments like this and just willing to take take the plunge. And people are. So it's just tapping into those different networks. But like you said, there's a lot opportunities. See this that's coming out. And in the very, very, very short term, we quickly turned our attention to, for example, regional offices or even now we're seeing it within London offices where we're seeing institutions having to to offload some of these assets at a significant discount to, to long term averages because they're having to reweight their portfolio.

00:31:06:24 - 00:31:25:00

GUEST

I mean, stuff that that we would have been looking at in, net net initials in the sixes or even fives, high fives and now sort of trading eight 9 to 10 starting to look incredibly compelling, especially when you're talking about sort of quality stock and quality locations not having to compromise on on the actual quality of the really say it.

00:31:25:00 - 00:31:41:28

HOST

So how do you go about as a separate account business, raising capital, an idea about your basis? How do you go about beating cash rich buyers with a discretionary mandate? Don't have to find a deal by the capital raise. Raise the debt? Yeah. All at the same time. How do you go about doing that?

00:31:41:28 - 00:32:01:15

GUEST

Yeah, certainly one of our biggest challenges. I mean, I guess it's a couple of things, to be honest. I mean, if you if you were travels quite fast in the market, if you're relatively there have been moments where we've been relatively honest with, with a vendor, you know, for example, the debt element, you know, we we need to get it to credit or to do this deal.

00:32:01:15 - 00:32:26:19

GUEST

And sometimes they've been quite sort of forthcoming to, to, to give us the time that we need and the runway that we need. I mean, the capital piece, we've been quite lucky is we try not to pursue deals too heavily until we've got the capital backing. I think in sort of today's world, it's become a lot easier to get investors on board, either through, you know, WhatsApp or teams calls and that sort of thing.

00:32:26:19 - 00:32:57:29

GUEST

Obviously, face to face, you can't beat that. But getting access to them and decision making has become a lot faster, which has helped us a little bit. So it's a big challenge that the, you know, we're having to constantly work out. But to be honest, I think being able to get access to our money a lot faster and sort of the decision making process speeding up means that, you know, we'll we'll always look for we'll always look to, to to get a deal under offer and pursue a deal when we already have the backing or the support of our investor base.

00:32:58:06 - 00:33:10:05

HOST

How how do you go about you mentioned it's easier to get hold of clients these days. How do you go about raising money? I know there's no shortage of capital looking for a good hire for investment, but how do you do that and that just through your own networks?

00:33:10:07 - 00:33:30:07

GUEST

Yeah, absolutely. It's through our networks. I mean, we have, a handful of investors that we talk to on a weekly basis. So you have a really good idea of what they're looking for. And what their appetite is like. I mean, one thing's for sure, I would say with all sort of with our network and our investor base, not all of them are sort of specifically targeting real estate.

00:33:30:07 - 00:33:49:14

GUEST

So you have to keep that quite fresh and, and recycle a lot of your investor base. So we're constantly looking for new sources of equity and capital. But yeah, I think if you have a good handle and understanding of what they want and just making sure that communication is incredibly regular, that just means that that you can react a lot faster to what the market saying all day.

00:33:49:19 - 00:33:57:03

HOST

Awesome. So what what has been your biggest challenge today? I know you might have touched on that already, but what would you say the biggest, biggest challenge has been?

00:33:57:05 - 00:34:25:12

GUEST

I mean, from a comfort perspective? Because obviously we just talked about the market element, but from a culture perspective, I'd say it's definitely track record. Fortunately, like I said, we have a strong network investors who have built up many years of trust so that they're ready to deploy with us. And the business model with that we're operating on right now in terms of deal by do, is very much sort of our short term so that we can build that track record and grow on that.

00:34:25:12 - 00:34:38:03

GUEST

But there are definitely, you know, other sort of sophisticated equity partners that that need a strong track record. So that will definitely be a big challenge for us and trying to sort of grow that quite quickly in the short term.

00:34:38:10 - 00:34:55:11

HOST

So when you're trying to do a couple of deals not, you know, prove your ability to execute and be flexible in terms of business plans, duration as well, in terms of the hold or the period when you try and raise your own funds, you think in the future or you just be opportunity led and take a pulse if and when in the future.

00:34:55:15 - 00:35:19:25

GUEST

Yeah, sure. Maybe in the future. I think definitely not in the short term. Maybe. Maybe in the medium to long term, we'll start exploring, exploring those avenues. I think, you know, you have to have quite sort of a strong, robust team with very clear roles and responsibilities when you're dealing with the fund route. I mean, there's a lot of work that goes behind setting up a fund before you even got to the real estate part of it.

00:35:19:25 - 00:35:40:27

GUEST

So I think in the short term, you know, we'll stick with the model that we have now because it just allows us to be incredibly nimble and just react quite quickly to to shocks in the market. But long term we would be looking to create sort of I'd say not necessarily fund, but more efficient structures, say a prop code that you can sort of pull pull assets into in a more efficient way.

00:35:40:29 - 00:35:41:08

GUEST

Yeah.

00:35:41:11 - 00:35:52:08

HOST

How? Yeah. As a, as a business, as a new business, getting alignment in deals with investors when young businesses don't have that much Co-Invest how do you navigate that?

00:35:52:10 - 00:36:25:02

GUEST

Yeah, it's a it is a bit of a tricky one, but to be honest it's it's a relatively easy one to navigate because, you actually find that a lot of equity partners, a being quite flexible about how you deal with that. And I'm not saying that they're sort of eradicating co-investment altogether, but they're very understanding of the sort of start up nature of of the operating partners that they're dealing with so that, you know, they offer

solutions in terms of rolling up fees or, or even just sort of reducing the percentage amounts, but actually looking at like what that nominal value means in terms of hurt money.

00:36:25:05 - 00:36:47:06

GUEST

So, you know, for example, 2% might mean a hell of a lot more for two individuals who are putting savings into a deal rather than 5% of the group with a huge balance sheet. So it's just contextualizing what the money really means and what that means in terms of alignment. Fortunately, too, on the on the private side is not not all private investors do actually require co-invest.

00:36:47:06 - 00:37:00:07

GUEST

And so some of the deals we've done more recently, there was no requirement to co-investment. So we've got quite lucky in that respect. But yeah, long term will definitely be looking at building up the balance sheet that so that we can ensure that we are always aligned with our investor base.

00:37:00:14 - 00:37:06:12

HOST

Amazing. So 2023 is fast approaching. What's what's the plan for the next year.

00:37:06:13 - 00:37:28:08

GUEST

So the plan for next year I mean step one is is growing our team and bringing new new specialist on board. And then with that I think we'll try to sort of roll out some more thematic strategies, try and get investors on board to to grow portfolio and just catalyze and opportunities quite quickly rather than just sort of incredibly opportunity led in terms of what's coming out to market in the short.

00:37:28:08 - 00:37:33:08

HOST

Term and is that across the UK and and Europe, or are you going to kind of keep that quite focused?

00:37:33:12 - 00:37:51:27

GUEST

I think in the first instance we'll be focusing a little bit more on the UK. I mean, our track record does involve a lot of Europe. I mean, the start of my investment management career, actually, I was doing a lot more in the Netherlands and then in the later part of of my time, unknown sort of tackled Iberia in Portugal.

00:37:52:02 - 00:38:15:13

GUEST

So and has done a fair bit in Germany too. So I think we'll definitely go back to Europe. But in the short term, we're seeing quite a bit of opportunity in the UK and not only and we're also seeing efficiencies, which is sort of keeping us closer to home, not just on from the real estate level, but beyond that from the corporate level, which is making UK looking UK looking marginally more attractive to us.

00:38:15:18 - 00:38:21:20

HOST

Okay, nice and what what advice would you give someone who's entering in really into the real estate space now?

00:38:21:22 - 00:38:42:24

GUEST

I think well, real estate, it's quite a big market. So I mean I'm taking, taking my personal experience as an example is you may think you know what you want to do, but there's actually quite a lot, quite a lot of different disciplines to, to, to, to, to get a handle of. So I would say, you know, don't, don't be put off by the

fact that you don't know what you want to do.

00:38:42:25 - 00:39:03:26

GUEST

And employer's not even just in the large corporate, but from my experience, all employers more than happy to place you in areas that you end up end up fitting quite well in. So I'd say try and sort of experience different, different disciplines, whether it's more on the transactional side or client facing side or even the technical side in the professional services side.

00:39:03:28 - 00:39:22:02

GUEST

One thing for sure is that, you know, whatever, whatever, whatever insights you pick up and skill set or base knowledge that you pick up and across any of those disciplines, it won't go to waste because they're all interlinked at the end today and network, I think they'll build up a network. It's hugely important, such a people business.

00:39:22:02 - 00:39:41:04

GUEST

So that will go very far over the whole direction of your career. And the last thing is don't forget to inspect buildings. So early on in your career, you know, ask ask your seniors to, to take you on site visits and meetings. If you're an analyst, don't get booked out with cash. But it's too much. I mean, obviously that's part of it.

00:39:41:04 - 00:39:42:06

GUEST

But you need go and see.

00:39:42:06 - 00:39:43:02

HOST

The properties as well.

00:39:43:06 - 00:39:44:05

GUEST

Yes, absolutely.

00:39:44:12 - 00:39:46:13

HOST

What's the best advice you've been given?

00:39:46:15 - 00:40:09:23

GUEST

I'd say the best advice I'd be given. And I'll sort of, reflect on more recent advice in terms of Kofod, a really good piece of advice I was given was in terms of, you know, find yourself a good sound founder. And to me it was slightly easier because I was dealing with someone who happened to be in a similar situation as me, and we had six years of experience of working together.

00:40:09:23 - 00:40:33:02

GUEST

But if your intention is to start up a business and it's just sort of a siege, your planted in your own head, I think it's definitely worthwhile looking for founding founding partner, just, just to, to use as a soundboard and, and soundboard and just sort of challenge each other. So that was definitely a good piece of advice. And also what we touched on earlier about developing a sort of non-executive board.

00:40:33:02 - 00:40:54:18

GUEST

So that's something that we'll definitely be looking at in the future. I would also say is, you know, be be be sort of have conviction with your with your vision and your strategy. You know, be very intentional in the direction that you want to go. But but review your business plan on a daily basis. Be prepared to to absorb shocks in the market and macroeconomics that are just so out of your control.

00:40:54:19 - 00:41:01:09

GUEST

Don't be too disheartened and things you know don't go your way. So you have to be a bit a bit agile and flexible. Yeah.

00:41:01:15 - 00:41:04:21

HOST

How, how would fail your business partner describe you?

00:41:04:25 - 00:41:25:24

GUEST

The the first, the first word that pops to mind, to be honest, is, is diligence. He says that quite a lot to me. I think I, I have a very specific way of how I work incredibly organized. And for me, it just all cap, all breaks back to efficiency, especially now sort of launching a business and being self-employed.

00:41:25:25 - 00:41:52:20

GUEST

Your mind can go in all sorts of directions and take you away from your whole business. So if you can create incredibly efficient processes, and just save things in incredibly organized manner, it just makes your life so much, so much easier in the long term. I mean, the number of times that we've been live on a project and then you have to sort of put it to bed a bit, it goes a bit dormant, and then you're picking up months later if you have everything sort of diligently and organized, in your folders, you can pick it up straight away.

00:41:52:22 - 00:42:14:20

GUEST

So yeah, he definitely uses diligent quite a lot. Also, just my attention to detail with typos and and cash flows. I think another one I would say is is calm. I wouldn't say I'm particularly hot headed. Hot headed, you know, it could maybe come across as not enthuse. But I just try to to not get too attached to things, having learned that things can fall away quite quickly.

00:42:14:20 - 00:42:19:09

GUEST

So yeah, try it. Try and stay calm and collected throughout the process.

00:42:19:09 - 00:42:32:01

HOST

Nice. And what? I appreciate your you're going through a process of preparing your team. A will get going through a process of building your team. What traits do you look for in and people that you work with or partners that you work with as well?

00:42:32:03 - 00:42:51:11

GUEST

People who are smarter than me? To be honest, I think everyone, but also especially me, I just need to be. I need to be challenged. I need to be tested. I don't need someone who, will agree with everything I say. So definitely people who feel smarter than me and are willing to challenge me. I think also someone that's trusted.

00:42:51:13 - 00:43:11:04

GUEST

Like I said, you know, especially when you're bringing people into the fold, your own business. I mean, you just you feel such an emotional attachment to, to to the, to the operations and all the work that goes out. So you want to make sure that everyone treats all of that with the same care and attention that, that you would.

00:43:11:07 - 00:43:26:28

GUEST

And then it just comes down to sort of personalities and making sure you gel. I mean, you don't have to be the same type of person at all by any means, but just be a relatively interesting person to want to spend time with and, and sort of develop a relationship outside of work.

00:43:27:04 - 00:43:39:17

HOST

Yeah, cool. But look, as we, as we draw draw to a close question I ask everyone is if you're given 500 million pounds worth of equity, who are the people? What property and which place would you look to deploy that cash?

00:43:39:19 - 00:44:07:06

GUEST

I think so, so not not treating it in the short term. I'm thinking more long term with this being more considered with my 500 million, I'd say in terms of places for me, it's all about population density. I think at the end of the day, we're herd animals and we want to be around people. So if there's decent population of sort of robust population density or the opportunity for the greater population, I think that's sort of a very key driver for me.

00:44:07:08 - 00:44:28:26

GUEST

I think in terms of property, again, it's going back to one of the strategies that I sought to sort of looking at real estate, the that is so intrinsic with how we operate and function as a society. I just see such longevity in that sort of stuff. I mean, to give you an example, for example, we would I'd be quite keen to explore more in sort of data centers or elements of health care.

00:44:28:26 - 00:44:49:19

GUEST

And I'm not necessarily talking about sort of traditional care homes or what have you, but more sort of forward thinking health care opportunities or clinics that are linked, maybe to wellbeing or just sort of areas where I see our society needs to focus more attention on and then people. Yeah, like I said, people is smarter than me. And that can bring those elements of specialism into the fold.

00:44:49:19 - 00:44:52:11

HOST

Would you drop any names in there of people that you know off of work with?

00:44:52:14 - 00:45:13:13

GUEST

Yeah, that's a good question. I might so the one I have in mind I think we can't say is name yet, but yeah, I've definitely had sort of former colleagues and, and and supervisors the, the you know I would definitely look to try and bring long term. I can get that a lot more to learn from them also.

00:45:13:13 - 00:45:28:24

HOST

Well, thank you so much for coming in today. I've really, really enjoyed it. And really appreciate you coming in as well. Such, you know, so early on in terms of the, the business, but it's certainly a very exciting time. And I think, you're going to have a lot of success. I'm excited to see what you and, Phil go on to achieve.

00:45:28:27 - 00:45:30:00

GUEST

Oh, thanks for having me.

00:45:30:04 - 00:45:31:25

HOST

Not at all. Cheers, then.

00:45:31:27 - 00:45:41:14

GUEST

Okay.

00:45:41:17 - 00:46:01:20

HOST

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00:46:01:25 - 00:46:34:12

HOST

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00:46:34:14 - 00:46:37:08

HOST

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