

# Webinar

## ULI Italy: Post-COVID-19

Date: July 13, 2020

00:00:00 --> 00:00:03: Oh OK, good evening everyone. I still have a second  
00:00:04 --> 00:00:06: for some messages to our members,  
00:00:06 --> 00:00:10: an also non members. Back we are preparing the day  
00:00:11 --> 00:00:14: our man National Council conference.  
00:00:14 --> 00:00:18: That which will be an alive event and not on  
00:00:18 --> 00:00:19: webinar.  
00:00:19 --> 00:00:23: The last week will be the last week of October  
00:00:23 --> 00:00:27: and we will be focused on living and its evolution  
00:00:27 --> 00:00:31: and we will send you in time the information an  
00:00:31 --> 00:00:36: order, the exact data and then the program of the  
00:00:36 --> 00:00:36: event.  
00:00:36 --> 00:00:41: Now I want to thank you Roger or for joining  
00:00:41 --> 00:00:44: our invitation and we're very proud to.  
00:00:44 --> 00:00:50: Him with Lisa Ann for this Chuck about the future  
00:00:51 --> 00:00:56: prospect after the exceptional covid events so.  
00:00:56 --> 00:01:00: I leave the floor to Andrea to talk with Roger  
00:01:00 --> 00:01:02: and make some question to him.  
00:01:02 --> 00:01:05: Thank you very much, Roger and enjoy the webinar,  
00:01:05 --> 00:01:09: thanks. Thank you.  
00:01:09 --> 00:01:12: Um, I think that everybody listening in probably knows who  
00:01:12 --> 00:01:13: you are.  
00:01:15 --> 00:01:18: But just in case somebody may not be aware,  
00:01:18 --> 00:01:22: sorry Andrea, can you speak close to the microphone  
because  
00:01:23 --> 00:01:23: it's quite.  
00:01:23 --> 00:01:26: Thank you.  
00:01:26 --> 00:01:26: No.  
00:01:28 --> 00:01:32: Yes no more. Anyway, if I get any closer,  
00:01:32 --> 00:01:34: I'll be in the screen.

00:01:34 --> 00:01:37: Um? And I think I said,  
00:01:37 --> 00:01:41: I suppose most people in this meeting know who Roger  
00:01:41 --> 00:01:41: is.  
00:01:41 --> 00:01:45: But just in case somebody is very young and doesn't  
00:01:45 --> 00:01:49: know it's Roger is a partner of Apollo Global Management  
00:01:49 --> 00:01:52: and heads all Apollo's real estate business in Europe.  
00:01:52 --> 00:01:57: And overseas all the property investments in fund raising  
activities  
00:01:57 --> 00:01:58: in behalf of Apollo.  
00:01:58 --> 00:02:01: He joined the following. 2010 B.  
00:02:01 --> 00:02:04: Previously he worked in Citigroup,  
00:02:04 --> 00:02:06: Lone Star and Goldman Sachs.  
00:02:06 --> 00:02:10: He is one of the most well known personalities in  
00:02:10 --> 00:02:12: European real estate.  
00:02:12 --> 00:02:16: And I am very happy that we have this location  
00:02:16 --> 00:02:20: and hearing what he thinks about the situation and getting  
00:02:20 --> 00:02:24: his feelings about false prophets situation.  
00:02:24 --> 00:02:27: Um, well, I'll be putting some questions.  
00:02:27 --> 00:02:30: If you have some questions to put to like and  
00:02:30 --> 00:02:32: write them in and we can.  
00:02:32 --> 00:02:36: Put them in between are my questions and his Rogers  
00:02:36 --> 00:02:36: answers.  
00:02:36 --> 00:02:40: Otherwise we go until the end.  
00:02:40 --> 00:02:43: Um, Roger.  
00:02:43 --> 00:02:47: Basically, in the past 20 years we've had other crisis  
00:02:47 --> 00:02:50: since of all sorts in real estate and in the  
00:02:51 --> 00:02:52: field of economy.  
00:02:52 --> 00:02:56: I remember in the year 2000 where there's a crisis  
00:02:56 --> 00:02:59: in the year 2004 and other smaller ones are very  
00:02:59 --> 00:03:00: serious.  
00:03:00 --> 00:03:04: One new Year 2008, another small bit.  
00:03:04 --> 00:03:08: In some countries not too small in 2011 now we  
00:03:08 --> 00:03:10: have this enormous crisis.  
00:03:10 --> 00:03:15: Caused by coverage. Is there anything I've been learned  
about  
00:03:15 --> 00:03:17: managing the other crisis?  
00:03:17 --> 00:03:20: Is an getting other than that we that you think  
00:03:21 --> 00:03:25: would be useful in facing up to the covid crisis?  
00:03:25 --> 00:03:30: Well firstly thank you gents for inviting me on pleased  
00:03:30 --> 00:03:34: and honored to be part of this webinar and it  
00:03:34 --> 00:03:39: really is a pleasure to be with you too and  
00:03:39 --> 00:03:42: with our audience.  
00:03:42 --> 00:03:44: Yes, I think so. I mean,

00:03:44 --> 00:03:46: for better or worse. Andrea,  
00:03:46 --> 00:03:50: you and I maybe you know two of the older  
00:03:50 --> 00:03:53: people in the panel and we've seen a lot of  
00:03:53 --> 00:03:55: crises right then.  
00:03:55 --> 00:03:59: There is the what I call the endogenous crisis.  
00:03:59 --> 00:04:03: Let's put the. Let's put the great financial crisis and  
00:04:04 --> 00:04:08: you know the early 1990s crisis and category of banks  
00:04:08 --> 00:04:10: and over lending.  
00:04:10 --> 00:04:14: And in that case, in many places there's a lot  
00:04:14 --> 00:04:17: in the early 1990s early there was a lot of  
00:04:18 --> 00:04:21: overbuilding great financial crisis.  
00:04:21 --> 00:04:24: You know, we all know was started in America.  
00:04:24 --> 00:04:28: But sort of reverberated around the world.  
00:04:28 --> 00:04:31: And then there's exogenous crisis,  
00:04:31 --> 00:04:33: you know which. Call it 911.  
00:04:33 --> 00:04:37: The tech wreck which you're referring to in the early  
00:04:37 --> 00:04:37: 2000s,  
00:04:37 --> 00:04:38: which were.  
00:04:40 --> 00:04:44: Were more outside events, meaning,  
00:04:44 --> 00:04:48: you know, 911 of course didn't cause a recession.  
00:04:48 --> 00:04:53: Maybe it was the tech bubble which caused a recession,  
00:04:53 --> 00:04:57: but it did reverberate around the world and it did  
00:04:57 --> 00:04:58: impact things.  
00:04:58 --> 00:05:02: And in this case covered it's the first time in  
00:05:02 --> 00:05:05: my lifetime we've ever had.  
00:05:05 --> 00:05:10: Entire economies shut down. I mean it's the most  
00:05:10 --> 00:05:14: extraordinary  
00:05:14 --> 00:05:16: profound thing and I think the one thing we learned  
00:05:16 --> 00:05:19: from earlier crises,  
00:05:19 --> 00:05:22: especially the great financial crisis,  
00:05:22 --> 00:05:26: was how important it is to have.  
00:05:26 --> 00:05:29: The monetary policy makers in the case of the ECB  
00:05:29 --> 00:05:33: in the case of the Bank of England,  
00:05:33 --> 00:05:35: the case of fed pouring money into the city into  
00:05:35 --> 00:05:39: the system to provide liquidity.  
00:05:39 --> 00:05:43: That was unprecedented, I don't think.  
00:05:43 --> 00:05:47: They would have reacted the same way had we not  
00:05:47 --> 00:05:51: had the great financial crisis in the same time,  
00:05:51 --> 00:05:55: you know there's been a lot of fiscal endeavors in  
00:05:55 --> 00:05:57: many countries that also have addressed this,  
00:05:57 --> 00:06:00: and you know that's to me.  
At first. I mean, I haven't really seen a lot

00:06:01 --> 00:06:05: of government stimulus in the past employed to deal with  
00:06:05 --> 00:06:06: recessions.  
00:06:06 --> 00:06:10: And yeah, I think you gotta go back a long  
00:06:10 --> 00:06:12: long way to really see that.  
00:06:12 --> 00:06:16: But here. We are seeing it and you know the  
00:06:16 --> 00:06:18: combination of that is.  
00:06:18 --> 00:06:21: Profound, but it's a profound crisis,  
00:06:21 --> 00:06:25: and I think it's one that.  
00:06:25 --> 00:06:28: You know, probably for me you know,  
00:06:28 --> 00:06:31: and we're in the midst of this may well be  
00:06:31 --> 00:06:32: the worst.  
00:06:32 --> 00:06:34: Recession.  
00:06:34 --> 00:06:37: We've ever experienced. Time will tell.  
00:06:37 --> 00:06:38: Will know more in September,  
00:06:38 --> 00:06:39: October.  
00:06:41 --> 00:06:47: Right? Um, basically, and I was wondering about this.  
00:06:47 --> 00:06:51: In the in Europe, in Italy we are slowly moving  
00:06:51 --> 00:06:52: out about it,  
00:06:52 --> 00:06:55: say. Crisis.  
00:06:55 --> 00:06:59: Not from a health point of view.  
00:06:59 --> 00:07:02: But we do suspect that.  
00:07:02 --> 00:07:06: The economic impact of war is.  
00:07:06 --> 00:07:09: Happened will be hitting us toward the end of the  
00:07:10 --> 00:07:12: year and perhaps next year.  
00:07:12 --> 00:07:13: I see that in Europe,  
00:07:13 --> 00:07:18: other countries or my lesson opposition France and Spain  
and  
00:07:18 --> 00:07:21: Germany are moving out and opening up.  
00:07:21 --> 00:07:24: England is halfway between the states,  
00:07:24 --> 00:07:28: things are. More mixed up and in the rest of  
00:07:28 --> 00:07:29: the of the world,  
00:07:29 --> 00:07:34: excluding China. We don't exactly know how things are  
holding  
00:07:34 --> 00:07:35: out there.  
00:07:35 --> 00:07:36: It seems to be like,  
00:07:36 --> 00:07:40: as you said, the first time a large global crisis  
00:07:40 --> 00:07:42: which has different timing.  
00:07:42 --> 00:07:44: Um?  
00:07:44 --> 00:07:47: Do you have any ideas?  
00:07:47 --> 00:07:53: Um, about how things would develop in the different  
countries  
00:07:53 --> 00:07:53: or.  
00:07:53 --> 00:07:57: If we have to wait until the whole thing is.

00:07:57 --> 00:08:01: Disappeared before we really get back to work.  
00:08:01 --> 00:08:02: Well, my.  
00:08:05 --> 00:08:08: Ola.  
00:08:08 --> 00:08:10: I'll let you know what they are.  
00:08:10 --> 00:08:13: I mean, I personally I think that.  
00:08:13 --> 00:08:15: If there's any place in the world,  
00:08:15 --> 00:08:18: there will be a so called V shaped recovery,  
00:08:18 --> 00:08:20: meaning a quick in and out.  
00:08:20 --> 00:08:24: It's China and I think there are several reasons for  
00:08:24 --> 00:08:24: that.  
00:08:24 --> 00:08:28: One is, it's more of a command control economy.  
00:08:28 --> 00:08:32: Where government directs economy in certain ways and the  
policy  
00:08:32 --> 00:08:35: makers there have poured a lot of monetary stimulus in,  
00:08:35 --> 00:08:37: but they can also tell people what to do.  
00:08:37 --> 00:08:40: You know they can tell people when to work.  
00:08:40 --> 00:08:42: They can tell people when not to work,  
00:08:42 --> 00:08:45: and people have to listen there in a way that  
00:08:45 --> 00:08:47: the West doesn't and.  
00:08:47 --> 00:08:51: My example is we own a hotel in Shanghai.  
00:08:51 --> 00:08:56: Recently acquired before Kovid, it was operating at 95%  
00:08:56 --> 00:09:01: occupancy. Um during car, but it was zero and now  
00:09:01 --> 00:09:06: as of two weeks ago this is 2 weeks ago.  
00:09:06 --> 00:09:10: It's back to 79% and we're also familiar.  
00:09:10 --> 00:09:14: You and I with our good friend and you lie  
00:09:14 --> 00:09:17: past Chairman Scott Malkin.  
00:09:17 --> 00:09:20: He along with me in a smaller way on two  
00:09:21 --> 00:09:27: outlet centers in Shanghai and they are performing better  
now  
00:09:27 --> 00:09:28: than they were.  
00:09:28 --> 00:09:30: A year ago, so you're you're ago,  
00:09:30 --> 00:09:33: they were attacks. Now there at X + 30%  
00:09:33 --> 00:09:35: in terms of sales volumes,  
00:09:35 --> 00:09:38: so it would appear to me a based on that  
00:09:38 --> 00:09:39: evidence.  
00:09:39 --> 00:09:43: Then there's a lot more evidence from Apollo businesses that  
00:09:43 --> 00:09:47: we own and credit businesses we own that they are.  
00:09:47 --> 00:09:48: On the road to recovery.  
00:09:48 --> 00:09:51: This assumes you know there's another.  
00:09:51 --> 00:09:53: There's not another breakout or epidemic,  
00:09:53 --> 00:09:57: and please God, let's hope there isn't anywhere in the  
00:09:57 --> 00:09:57: world.  
00:09:57 --> 00:10:00: But you know in China as well.

00:10:00 --> 00:10:06: Then you come to Europe and I think Europe is.  
00:10:06 --> 00:10:11: It's harder to make a generalization there 'cause each country  
00:10:11 --> 00:10:12: is different.  
00:10:12 --> 00:10:17: Obviously, Italy has had enormous amount of press as one  
00:10:17 --> 00:10:21: of the places that was hardest hit along with Spain  
00:10:21 --> 00:10:21: and and,  
00:10:21 --> 00:10:25: you know, one or two others.  
00:10:25 --> 00:10:30: And Germany, of course has gotten kudos for some place  
00:10:30 --> 00:10:36: that seems to have managed this through test and tracing  
00:10:36 --> 00:10:37: extremely well,  
00:10:37 --> 00:10:43: and the impact there is modest in terms of in  
00:10:43 --> 00:10:44: terms of.  
00:10:44 --> 00:10:47: Of unemployment and other indicia,  
00:10:47 --> 00:10:49: if you get to the West,  
00:10:49 --> 00:10:53: however, the UK and especially the States,  
00:10:53 --> 00:10:56: it's very very different. I mean,  
00:10:56 --> 00:11:00: here we're just emerging from walk down.  
00:11:00 --> 00:11:05: Here we are in what I think is going to  
00:11:05 --> 00:11:12: be rather dire economic circumstances and and the states  
which.  
00:11:12 --> 00:11:15: As you know, is a system of.  
00:11:15 --> 00:11:21: Each state is different. They followed a very different path  
00:11:21 --> 00:11:26: depending on whether you were Texas or New York or  
00:11:26 --> 00:11:27: Illinois,  
00:11:27 --> 00:11:32: and the government can. Make pronouncements that can't  
really tell  
00:11:32 --> 00:11:34: governors what to do and.  
00:11:34 --> 00:11:36: I fear that covered, you know,  
00:11:36 --> 00:11:38: is there is getting worse,  
00:11:38 --> 00:11:41: not better. And in economies that were opening are now  
00:11:42 --> 00:11:42: shutting.  
00:11:42 --> 00:11:45: But more importantly, I think that.  
00:11:45 --> 00:11:50: The impact there in the UK an in.  
00:11:50 --> 00:11:53: The state is going to be profound and.  
00:11:53 --> 00:11:59: Worse than Europe, and I say that 'cause I think  
00:11:59 --> 00:12:00: that.  
00:12:00 --> 00:12:02: There's no social net there.  
00:12:02 --> 00:12:05: Many people there are living hand to mouth.  
00:12:05 --> 00:12:07: You know, just paying their rent.  
00:12:07 --> 00:12:11: There is no ability. Government doesn't really.  
00:12:11 --> 00:12:14: Certain Estates provide support and when you have 15%

00:12:14 --> 00:12:19: employment unemployment now 11%. That's just an extraordinary figure.

00:12:19 --> 00:12:23: And when you start talking about those economies,

00:12:23 --> 00:12:27: those two in particular which are really consumer LED.

00:12:27 --> 00:12:30: They're not savers or not like the Italians.

00:12:30 --> 00:12:34: For the Germans, people are living hand to mouth.

00:12:34 --> 00:12:37: And when you say that the impact is going to

00:12:37 --> 00:12:38: be 20%

00:12:38 --> 00:12:42: less consumption, its drastic. It's drastic in the airlines and

00:12:42 --> 00:12:45: stress again the hard goods it stressed are going to

00:12:46 --> 00:12:46: soft goods.

00:12:46 --> 00:12:49: So I I worry that this is going to take

00:12:49 --> 00:12:52: a long time and I think it's going to go

00:12:52 --> 00:12:55: beyond just the hospitality businesses.

00:12:55 --> 00:12:58: I mean it, it makes sense in the Hospitality airlines

00:12:58 --> 00:12:59: hotels,

00:12:59 --> 00:13:01: things like that they are impacted.

00:13:01 --> 00:13:05: But I think that impact is going to be principally

00:13:05 --> 00:13:06: in the

00:13:06 --> 00:13:08: what I call the fly to markets.

00:13:08 --> 00:13:11: Not to drive to Marcus.

00:13:11 --> 00:13:13: I think in a drive to markets are beginning to

00:13:13 --> 00:13:13: recover,

00:13:13 --> 00:13:14: but in a flight too,

00:13:14 --> 00:13:16: it's going to take years.

00:13:16 --> 00:13:20: Before things come back and I'm relatively optimistic,

00:13:20 --> 00:13:24: I I, you know, in relative terms about Europe because

00:13:24 --> 00:13:28: I think that there hasn't been a lot of overbuilding.

00:13:28 --> 00:13:31: I think it depends very much on what the banks

00:13:31 --> 00:13:31: do.

00:13:31 --> 00:13:34: You know if the banks are lending,

00:13:34 --> 00:13:36: I think they can continue to.

00:13:36 --> 00:13:41: They can provide sustenance to entrepreneurs and in the community

00:13:41 --> 00:13:45: there's less reliance on the public markets in Europe than

00:13:45 --> 00:13:46: what there isn't.

00:13:46 --> 00:13:48: In the United States of America,

00:13:48 --> 00:13:50: and there's more of a social net,

00:13:50 --> 00:13:53: so I don't think people are going to.

00:13:53 --> 00:13:57: Not be able to pay their rent in in these

00:13:57 --> 00:14:00: places so I think it's going to be.

00:14:00 --> 00:14:04: In the States and UK it will be someplace between

00:14:04 --> 00:14:07: a so called U shape recovery an an L shape  
00:14:08 --> 00:14:10: recovery and I think in Europe.  
00:14:10 --> 00:14:13: I think we're seeing signs of more of a U  
00:14:13 --> 00:14:19: shaped recovery and I'm particularly encouraged by the 750  
1,000,000  
00:14:19 --> 00:14:23: billion that Germany is indicated that they are prepared to  
00:14:23 --> 00:14:29: provide to other countries. I find that's an extraordinary.  
00:14:29 --> 00:14:32: I mean, if it gets through if the Dutch agree  
00:14:32 --> 00:14:33: with with this.  
00:14:33 --> 00:14:37: I think that's extraordinary measure for extraordinary times.  
00:14:37 --> 00:14:41: Which will provide sustenance the country,  
00:14:41 --> 00:14:44: not just in terms of of.  
00:14:44 --> 00:14:49: Economies but will trickle through to real estate markets.  
00:14:49 --> 00:14:55: Men, do you think the instructions in globalization and  
destructions  
00:14:55 --> 00:15:00: in the global networks are going to impact on us  
00:15:00 --> 00:15:01: in Europe?  
00:15:01 --> 00:15:04: Um, 'cause much of our stuff that we buy and  
00:15:05 --> 00:15:08: sell goes to China comes from China goes to the  
00:15:08 --> 00:15:12: states comfortable States and it does seem this will be  
00:15:12 --> 00:15:17: slowing down. This will probably indirectly may indirectly  
impact on  
00:15:17 --> 00:15:18: the real estate market too.  
00:15:18 --> 00:15:21: Or just the exam. Perhaps hotels,  
00:15:21 --> 00:15:24: but perhaps other offices too.  
00:15:24 --> 00:15:28: And which is better long term thing?  
00:15:28 --> 00:15:30: Um?  
00:15:30 --> 00:15:33: I think I think it will slow down.  
00:15:33 --> 00:15:39: I think that globalization probably reached its apex.  
00:15:39 --> 00:15:46: You know, maybe some some time in during the Obama  
00:15:46 --> 00:15:46: years.  
00:15:46 --> 00:15:49: And.  
00:15:49 --> 00:15:52: I think that since Obama called,  
00:15:52 --> 00:15:56: he called it pivoting that to Asia.  
00:15:56 --> 00:15:59: Then he started this trend.  
00:15:59 --> 00:16:03: Which President Trump has exaggerated?  
00:16:03 --> 00:16:08: And I think that there will continue to be no  
00:16:08 --> 00:16:14: more tariffs and more people looking out for themselves less  
00:16:14 --> 00:16:16: more of a mercantilistic.  
00:16:16 --> 00:16:19: Approach 2.  
00:16:19 --> 00:16:23: To the world than what there ever has been.  
00:16:23 --> 00:16:29: Regrettably, I think we've things are going to continue to  
00:16:29 --> 00:16:31: be more nationalistic in.



00:16:31 --> 00:16:34: In the future, however, you know,  
00:16:34 --> 00:16:38: America faces a very important election coming up in November.  
00:16:38 --> 00:16:42: Think it's November. The second or third,  
00:16:42 --> 00:16:46: and I do think it couldn't present a starker choice.  
00:16:46 --> 00:16:48: I do think that.  
00:16:48 --> 00:16:56: If the Democratic presumed candidate Joseph Biden wins E election.  
00:16:56 --> 00:17:00: I think he'll take far more of a Obama like  
00:17:00 --> 00:17:06: approach and be far less confrontational to Europe than what  
00:17:06 --> 00:17:11: President Trump has been because I think he will follow  
00:17:11 --> 00:17:16: in President Obama's footsteps. I think in terms of China,  
00:17:16 --> 00:17:19: however, I think that America is.  
00:17:23 --> 00:17:30: America's politics, Democrats and Republicans both have.  
00:17:30 --> 00:17:34: Agreed to confront China for various reasons.  
00:17:34 --> 00:17:36: You know, we can speculate on them.  
00:17:36 --> 00:17:39: You know some of its competition.  
00:17:39 --> 00:17:42: Some of its dot world dominance in markets.  
00:17:42 --> 00:17:46: I think there there will continue to be friction.  
00:17:46 --> 00:17:49: It may be. Subtler than under Joe Biden if he  
00:17:50 --> 00:17:51: gets elected and Trump.  
00:17:51 --> 00:17:54: But I think it will be there.  
00:17:54 --> 00:17:57: I think we've all got to prepare for that and  
00:17:57 --> 00:18:01: I think it also impacts our world from a capital  
00:18:01 --> 00:18:01: markets.  
00:18:01 --> 00:18:05: POV you know, I think that it won't just be  
00:18:05 --> 00:18:05: good.  
00:18:05 --> 00:18:09: So I think it's going to be more and more  
00:18:09 --> 00:18:12: difficult for capital markets to function.  
00:18:12 --> 00:18:17: As easily in an environment that's more nationalistic than  
00:18:17 --> 00:18:18: what  
00:18:17 --> 00:18:18: it was in the past.  
00:18:18 --> 00:18:23: So I think we need to think about that as  
00:18:23 --> 00:18:23: well.  
00:18:23 --> 00:18:24: No.  
00:18:26 --> 00:18:28: If anybody has any questions up till now,  
00:18:28 --> 00:18:32: if they just write them in will.  
00:18:32 --> 00:18:36: Through to Roger. Otherwise I'll just go ahead.  
00:18:36 --> 00:18:37: Navigate.  
00:18:39 --> 00:18:41: OK.  
00:18:41 --> 00:18:44: Now you're speaking without the without the microphone that  
00:18:44 --> 00:18:44: we  
00:18:44 --> 00:18:44: do.

00:18:52 --> 00:18:57: Well, I'll go ahead. As long as you're hearing me.  
00:18:57 --> 00:18:59: You were talking talking about Europe,  
00:18:59 --> 00:19:01: then later will pass pass to Italy.  
00:19:04 --> 00:19:08: The different sectors of the economy and you said hospitality  
00:19:08 --> 00:19:09: and so forth,  
00:19:09 --> 00:19:12: have our difficulties and different areas.  
00:19:12 --> 00:19:16: Germany is deferral. Spain and Italy and so forth,  
00:19:16 --> 00:19:19: but looking at normal.  
00:19:19 --> 00:19:23: Cool cool less investments in the in the coming year.  
00:19:23 --> 00:19:27: Which sectors do you think have held up well and  
00:19:27 --> 00:19:28: could be looked at?  
00:19:28 --> 00:19:32: In which sector you think of are possibly things we  
00:19:32 --> 00:19:35: should be waiting a bit more to verify.  
00:19:35 --> 00:19:38: If I can ask your opinion on that,  
00:19:38 --> 00:19:41: right? Well I think that.  
00:19:41 --> 00:19:46: Structures that have held up the best currently are.  
00:19:46 --> 00:19:52: Residential in fact. I've been present pleasantly surprised at  
that.  
00:19:52 --> 00:19:54: And I think some of it is,  
00:19:54 --> 00:19:58: you know, it's essential to everyone's well being that they  
00:19:58 --> 00:20:00: have a roof over their head.  
00:20:00 --> 00:20:04: So it's probably the last thing aside from food.  
00:20:04 --> 00:20:07: That you would forego paying I know in some places.  
00:20:07 --> 00:20:11: It's undergirded by a social network so for example,  
00:20:11 --> 00:20:13: in Germany when you know,  
00:20:13 --> 00:20:17: I helped create the German public residential market a lot  
00:20:17 --> 00:20:20: of that is effectively paid for by the state so  
00:20:20 --> 00:20:24: you expect it's going to continue to be paid for.  
00:20:24 --> 00:20:27: But even in the UK where it's not paid for  
00:20:27 --> 00:20:27: it,  
00:20:27 --> 00:20:33: but it states. A rental collection has been 95%.  
00:20:33 --> 00:20:36: And you know, I suspect they'll be.  
00:20:36 --> 00:20:39: I I don't think rents will fall very much,  
00:20:39 --> 00:20:42: if at all in the UK because.  
00:20:42 --> 00:20:47: There's a shortage of housing and shortage of residential  
property  
00:20:47 --> 00:20:48: at present.  
00:20:48 --> 00:20:51: Similarly in.  
00:20:51 --> 00:20:54: And I'd say that's across the board,  
00:20:54 --> 00:20:56: you know from not just the UK,  
00:20:56 --> 00:20:58: but public.  
00:20:58 --> 00:21:02: Real estate residential companies in Germany have also had  
high

00:21:02 --> 00:21:03: collections,  
00:21:03 --> 00:21:06: the other one that's.  
00:21:06 --> 00:21:08: Hold up well and I could even see rents going  
00:21:08 --> 00:21:09: up,  
00:21:09 --> 00:21:12: of course is logistics. I know it's the flavor the  
00:21:12 --> 00:21:13: month you know.  
00:21:13 --> 00:21:17: Everyone talks about logistics, but you know the reality is.  
00:21:19 --> 00:21:24: We're moving to a digital world in terms of retail.  
00:21:24 --> 00:21:28: It's not complete, and it's certainly not going to be  
00:21:29 --> 00:21:33: as predominant in Europe as what it is in America.  
00:21:33 --> 00:21:35: Nonetheless.  
00:21:35 --> 00:21:40: Logistics provides an important function for Amazon in the  
light,  
00:21:40 --> 00:21:44: and I think that's going to continue.  
00:21:44 --> 00:21:47: Rents there I could see going up for a period  
00:21:47 --> 00:21:51: of time despite the fact that yields are at all  
00:21:51 --> 00:21:51: time lows,  
00:21:51 --> 00:21:54: so I think that's an area that's.  
00:21:56 --> 00:21:58: Subject to.  
00:21:58 --> 00:22:03: Um, increasing rents training to other sectors.  
00:22:03 --> 00:22:07: You know, I think office we all.  
00:22:07 --> 00:22:12: You know, I'm sure you in in Italy and you  
00:22:12 --> 00:22:14: know everyone in the West.  
00:22:14 --> 00:22:19: Talks about the profound changes we've gone through  
lockdown and  
00:22:19 --> 00:22:21: working out of our homes.  
00:22:21 --> 00:22:24: And there's been a lot of speculation in the press  
00:22:24 --> 00:22:27: about people enjoy working out of their home,  
00:22:27 --> 00:22:29: and maybe won't be as popular.  
00:22:29 --> 00:22:32: Going back the offices I I have my doubts about  
00:22:32 --> 00:22:33: that I,  
00:22:33 --> 00:22:36: I think that I don't just speak as someone.  
00:22:38 --> 00:22:40: In my 60s, you know,  
00:22:40 --> 00:22:45: I think millennials that I speak to are part of  
00:22:45 --> 00:22:46: my company.  
00:22:46 --> 00:22:50: Also want to get back to the office for a  
00:22:50 --> 00:22:51: number of reasons.  
00:22:51 --> 00:22:55: One is culture too is to break from home life.  
00:22:55 --> 00:23:00: If you're a 25 year old with two kids.  
00:23:00 --> 00:23:03: In a 2 bedroom apartment you may well want to  
00:23:03 --> 00:23:06: go to the office as opposed to tip to function  
00:23:06 --> 00:23:08: properly as opposed to being at home,

00:23:08 --> 00:23:12: I do think. What will change in the office sector  
00:23:12 --> 00:23:15: is Lisas will get a little bit shorter.  
00:23:15 --> 00:23:17: Because it will offer more flexibility,  
00:23:17 --> 00:23:22: which is a risk to valuations in the office sector.  
00:23:22 --> 00:23:26: And then finally, you know touch on retail.  
00:23:26 --> 00:23:29: In the States an in.  
00:23:29 --> 00:23:33: The UK it's a complete total utter mess into is  
00:23:33 --> 00:23:37: gone bust it was a big public company is probably  
00:23:37 --> 00:23:40: at a market cap of two or three billion it  
00:23:40 --> 00:23:42: now as zero market cap.  
00:23:42 --> 00:23:46: You can't get debt financing on malls in the US  
00:23:46 --> 00:23:47: or the UK now.  
00:23:47 --> 00:23:51: I mean part of the problem for that is there's  
00:23:51 --> 00:23:53: just too much retail,  
00:23:53 --> 00:23:55: you know. And that's very,  
00:23:55 --> 00:24:00: very different than in Italy or Germany or other places.  
00:24:00 --> 00:24:04: France, where there's a lot less retail.  
00:24:04 --> 00:24:08: But even there, I think they'll be overtime changes in  
00:24:08 --> 00:24:11: the way retailers delivered.  
00:24:11 --> 00:24:13: And you know, if you live in a city,  
00:24:13 --> 00:24:17: you may well get your groceries delivered to your doorstep.  
00:24:17 --> 00:24:19: Is going out to get groceries,  
00:24:19 --> 00:24:22: and you may also shop if you're a millennial quite  
00:24:22 --> 00:24:23: differently.  
00:24:23 --> 00:24:26: So I think that's in an element of transition is  
00:24:26 --> 00:24:30: going to move from just shopping to more entertainment LED  
00:24:30 --> 00:24:30: type retail,  
00:24:30 --> 00:24:35: and I think that means they'll be at the margin.  
00:24:35 --> 00:24:38: Runs may go down a bit and if rents go  
00:24:38 --> 00:24:41: down I think yields could go up a bit,  
00:24:41 --> 00:24:44: barring the centers that are monopolies.  
00:24:46 --> 00:24:50: Do you think the banks will back up the investors  
00:24:50 --> 00:24:53: in the coming in the coming months?  
00:24:53 --> 00:24:58: Or will it be more difficult for customer to get  
00:24:58 --> 00:24:58: some?  
00:24:58 --> 00:25:02: Bank financing for the investments.  
00:25:02 --> 00:25:07: Well, it's a. It's a very good question and.  
00:25:07 --> 00:25:12: You know we're in the we're in the eye of  
00:25:12 --> 00:25:14: the storm.  
00:25:14 --> 00:25:16: And so some of what I say is conjecture,  
00:25:16 --> 00:25:17: but some of it is,  
00:25:17 --> 00:25:21: you know, we're out getting financing on our own projects,

00:25:21 --> 00:25:24: and I think that you know it obviously depends on  
00:25:24 --> 00:25:27: also all sorts of different in the lease length,  
00:25:27 --> 00:25:30: the quality asset, the location.  
00:25:30 --> 00:25:31: So forth and so on,  
00:25:31 --> 00:25:35: but I think generally speaking.  
00:25:35 --> 00:25:38: If you used to be able to get a loan  
00:25:38 --> 00:25:38: at.  
00:25:38 --> 00:25:42: 65 Maybe 70% willing to cost.  
00:25:42 --> 00:25:48: At 150 over, I think now you can count on  
00:25:48 --> 00:25:51: that being 55 to 60%.  
00:25:51 --> 00:25:53: That you know 200, two,  
00:25:53 --> 00:25:57: 150 over and so I think the cost isn't going  
00:25:57 --> 00:26:01: to increase and I think what banks will lend is  
00:26:01 --> 00:26:03: going to go down now.  
00:26:03 --> 00:26:08: Having said that, banks are in vastly better shape than  
00:26:08 --> 00:26:11: they were during the great financial crisis,  
00:26:11 --> 00:26:15: so their ability to lend is better.  
00:26:15 --> 00:26:19: And I, I don't think that you know when all  
00:26:20 --> 00:26:21: the smoke clears.  
00:26:21 --> 00:26:26: There will be a huge amount of new NPL's.  
00:26:26 --> 00:26:30: In in this crisis, 'cause I think banks have been  
00:26:30 --> 00:26:33: conservative since the great financial crisis.  
00:26:33 --> 00:26:37: I think it's been very difficult to get loans that  
00:26:37 --> 00:26:39: 95 you know are 90%  
00:26:39 --> 00:26:42: so well, I think financing is going to be more  
00:26:42 --> 00:26:43: difficult.  
00:26:43 --> 00:26:45: I think it still be possible.  
00:26:45 --> 00:26:48: I I have heard.  
00:26:48 --> 00:26:51: You know, in in, specifically in Italy,  
00:26:51 --> 00:26:53: one or two banks that surprise me.  
00:26:53 --> 00:26:57: You know we're pulling back a bit in terms of  
00:26:57 --> 00:26:59: their eagerness to lend.  
00:26:59 --> 00:27:03: The two most asset classes and you know if that's  
00:27:03 --> 00:27:04: the case,  
00:27:04 --> 00:27:09: I think it's quite worrying because anytime you have domestic  
00:27:09 --> 00:27:12: banks that are focusing on one asset class,  
00:27:12 --> 00:27:16: you may be residential but not.  
00:27:16 --> 00:27:20: Able or willing to focus on the other asset classes.  
00:27:20 --> 00:27:24: Obviously it has an impact on on valuation.  
00:27:24 --> 00:27:26: Yeah.  
00:27:26 --> 00:27:29: Specially it twice year twice a year.  
00:27:29 --> 00:27:32: Valuation. The pension funds have to do.

00:27:32 --> 00:27:35: I'm.

00:27:35 --> 00:27:37: We we just touched a little bit,

00:27:37 --> 00:27:42: um, you know, people say that every.

00:27:42 --> 00:27:46: Even crisis can be seen as an opportunity.

00:27:46 --> 00:27:48: Um?

00:27:48 --> 00:27:53: So bad opportunities coming out of such a serious crisis.

00:27:53 --> 00:27:57: This but they maybe they may be distressed.

00:27:57 --> 00:28:01: They may be hotels. Then maybe do you think that

00:28:01 --> 00:28:06: this crisis will enhance the ability of opportunity funds to

00:28:06 --> 00:28:08: do good deals or?

00:28:08 --> 00:28:12: Always a bit early to think about that.

00:28:12 --> 00:28:16: Or do you think there's some you know unlikely to

00:28:16 --> 00:28:16: pay?

00:28:16 --> 00:28:20: Deals will come onto the market or deals with the

00:28:20 --> 00:28:24: refinancing or equity or new equity will come in.

00:28:24 --> 00:28:30: The typical things that are producing fans could do.

00:28:30 --> 00:28:35: I do think there will be abundant opportunities for the

00:28:35 --> 00:28:36: next.

00:28:36 --> 00:28:40: Three to five years, I firstly I think to date.

00:28:40 --> 00:28:42: Real Estates are lagging indicators,

00:28:42 --> 00:28:46: so normally it takes a year from the beginning of

00:28:46 --> 00:28:49: a recession to when you can actually transact,

00:28:49 --> 00:28:52: and some of that is sellers are looking in the

00:28:52 --> 00:28:53: rearview mirror,

00:28:53 --> 00:28:58: hoping for yesterday. Prices and buyers are looking forward

00:28:58 --> 00:29:00: hoping

00:28:58 --> 00:29:00: that there's a price adjustment.

00:29:00 --> 00:29:05: But you know, we've been active Apollo in the public

00:29:05 --> 00:29:05: markets.

00:29:05 --> 00:29:11: We've made an offer to acquire a public property company.

00:29:11 --> 00:29:14: In the UK, that's. Has a lot of industrial and

00:29:14 --> 00:29:17: of course it's easier there because.

00:29:20 --> 00:29:23: The public markets adjust instantly to new pricing,

00:29:23 --> 00:29:25: and in this case it adjusted.

00:29:25 --> 00:29:29: In this case there was a large shareholder.

00:29:29 --> 00:29:33: We made an offer which hopefully today will be accepted.

00:29:33 --> 00:29:39: We've also been buying public debt backed by commercial

00:29:39 --> 00:29:41: property

00:29:39 --> 00:29:41: called so-called See MBS.

00:29:41 --> 00:29:44: Commercial mortgages in our MBS.

00:29:44 --> 00:29:49: Residential mortgages, which in some instances.

00:29:49 --> 00:29:55: We're highly leveraged. Vehicles and the debt has been

00:29:49 --> 00:29:55: trading

00:29:55 --> 00:29:59: at drastic discounts to the underlying par value,  
00:29:59 --> 00:30:05: and again I mean that in the public markets reacts.  
00:30:05 --> 00:30:10: Reaction instantaneously to change so buildings that have  
large serviced  
00:30:10 --> 00:30:15: office component with companies that you know in trouble  
have  
00:30:15 --> 00:30:16: traded it.  
00:30:16 --> 00:30:21: Drastic discounts. We've advantage ourselves with that.  
00:30:21 --> 00:30:25: I think in the main and you've seen others brookefield  
00:30:25 --> 00:30:28: I think took a big stake in British Land as  
00:30:29 --> 00:30:33: an example of another so called Opportunity Fund that's  
making  
00:30:33 --> 00:30:36: investments.  
00:30:36 --> 00:30:37: And.  
00:30:37 --> 00:30:40: I think they in the autumn.  
00:30:40 --> 00:30:44: When we I think will know more in September and  
00:30:44 --> 00:30:47: October about the severity of this crisis.  
00:30:47 --> 00:30:50: So you know, people have different points of view about  
00:30:51 --> 00:30:51: it.  
00:30:51 --> 00:30:53: I've got a point of view.  
00:30:53 --> 00:30:54: I've expressed it to you,  
00:30:54 --> 00:30:59: but. Many people think differently than I do about the  
00:30:59 --> 00:31:01: character of the recession,  
00:31:01 --> 00:31:04: and if they are right and we bounce out of  
00:31:04 --> 00:31:05: this quickly,  
00:31:05 --> 00:31:07: it may well be that we go back to Norman.  
00:31:07 --> 00:31:11: There won't be a real estate price adjustment,  
00:31:11 --> 00:31:15: but normally what happens in these circumstances is that.  
00:31:15 --> 00:31:21: You've got, for example, development projects where you  
hope to  
00:31:21 --> 00:31:23: have a take out finance.  
00:31:23 --> 00:31:27: And the demand side on take out financing what it  
00:31:27 --> 00:31:27: was.  
00:31:27 --> 00:31:32: Residential apartments that people were going to buy off in  
00:31:32 --> 00:31:35: this some places in the City of London.  
00:31:35 --> 00:31:39: 6000 pounds of foot, or whether it was office property.  
00:31:39 --> 00:31:42: Where you hope that you'd find an office tenant,  
00:31:42 --> 00:31:45: I think they'll be.  
00:31:45 --> 00:31:47: Here, at least in London,  
00:31:47 --> 00:31:51: probably 20% less demand.  
00:31:51 --> 00:31:53: For new tenants and some of that,  
00:31:53 --> 00:31:56: by the way, is Brexit oriented 'cause we still don't  
00:31:56 --> 00:31:58: have a trade agreement with Europe,

00:31:58 --> 00:32:01: and it's unclear whether we will get one,  
00:32:01 --> 00:32:04: but some of it's just the uncertainty of covid.  
00:32:04 --> 00:32:07: Now I think in the office market.  
00:32:07 --> 00:32:10: You can layer in the fact that.  
00:32:10 --> 00:32:17: We probably. You went from 300.  
00:32:17 --> 00:32:21: 30 square meters per employee to maybe 220 square meters  
00:32:22 --> 00:32:23: per employee.  
00:32:23 --> 00:32:26: You know now I think we're going to go back  
00:32:26 --> 00:32:30: to 30 meters per employee 'cause people will want more  
00:32:30 --> 00:32:35: distance between themselves post covered so some of the  
demand  
00:32:35 --> 00:32:40: adjustment in occupancy I think will be taken up by  
00:32:40 --> 00:32:42: more space as people want.  
00:32:42 --> 00:32:45: A little bit more social distancing,  
00:32:45 --> 00:32:49: but I think on balance you know that will impact  
00:32:49 --> 00:32:51: the market and you know,  
00:32:51 --> 00:32:56: should impact yield so that against that I mean you  
00:32:56 --> 00:33:00: have this most extraordinary thing of.  
00:33:00 --> 00:33:03: You know property prices. I mean interest rates are zero  
00:33:03 --> 00:33:05: virtually around the world.  
00:33:05 --> 00:33:09: And it's very difficult to get yield on anything,  
00:33:09 --> 00:33:12: so I think if you have a prime asset in  
00:33:12 --> 00:33:16: a prime position in a prime location with a prime  
00:33:16 --> 00:33:17: covenant,  
00:33:17 --> 00:33:21: I think you could even argue in those instances,  
00:33:21 --> 00:33:25: both tenants and yields tenants will cover it and yields  
00:33:26 --> 00:33:28: could even come in from,  
00:33:28 --> 00:33:32: you know where they are today.  
00:33:32 --> 00:33:32: Yeah.  
00:33:37 --> 00:33:42: Yes, I want to ask.  
00:33:42 --> 00:33:46: Sorry, you hear me.  
00:33:46 --> 00:33:49: Yes yes yes. Thank you know I I want to  
00:33:49 --> 00:33:50: ask her to Roger,  
00:33:50 --> 00:33:53: you are an investor in Italy.  
00:33:53 --> 00:33:58: You are international investor. That's why you have an  
external  
00:33:58 --> 00:33:59: vision of Italy.  
00:33:59 --> 00:34:03: If you had to manage the enormous amount of money  
00:34:03 --> 00:34:05: coming from Europe to Italy,  
00:34:05 --> 00:34:10: how would you invest it in other words?  
00:34:10 --> 00:34:13: What is what is missing in Italy to keep up  
00:34:13 --> 00:34:18: with the Europe or better the biggest European countries?  
00:34:22 --> 00:34:25: Well, I think that.



00:34:25 --> 00:34:29: Firstly, you know you know by geography.

00:34:29 --> 00:34:31: We favor the North over the South.

00:34:31 --> 00:34:34: I mean, there's probably not a surprising.

00:34:34 --> 00:34:38: Statement but you know it's much wealthier.

00:34:38 --> 00:34:41: There's more of a prospect for takeout.

00:34:43 --> 00:34:46: And it's a little bit easier to function there.

00:34:46 --> 00:34:48: That's not to exclude Rome,

00:34:48 --> 00:34:51: you know which is an important country.

00:34:51 --> 00:34:54: There always be international investment going into it.

00:34:54 --> 00:34:59: I think that within the asset classes we particularly like

00:34:59 --> 00:35:00: residential.

00:35:00 --> 00:35:02: You know, even post covered,

00:35:02 --> 00:35:05: I think we're we're nervous about everything you know as

00:35:05 --> 00:35:07: an opportunity fund 'cause you know,

00:35:07 --> 00:35:09: we look at the downside.

00:35:09 --> 00:35:13: But I think the fundamentals for residential.

00:35:13 --> 00:35:18: Certainly in Milan, in areas outside are quite good and.

00:35:18 --> 00:35:23: For Rome as well, you know we'll we'll avoid.

00:35:25 --> 00:35:27: Retail.

00:35:27 --> 00:35:29: You may well be a mistake.

00:35:29 --> 00:35:31: I mean, I think it well.

00:35:31 --> 00:35:35: I mean we're avoided. Except where is supermarket

00:35:35 --> 00:35:36: supermarket or

00:35:35 --> 00:35:36: drugstore LED?

00:35:36 --> 00:35:38: I think we would.

00:35:38 --> 00:35:41: Acquire those types of assets.

00:35:41 --> 00:35:46: But I think personally we'd be extremely reluctant to buy

00:35:46 --> 00:35:46: a.

00:35:46 --> 00:35:48: A shopping center, a mall in Italy,

00:35:48 --> 00:35:51: or for that matter, anywhere you know.

00:35:51 --> 00:35:56: I mean and. I think that.

00:35:56 --> 00:35:59: I think we could be wrong in that judgment,

00:35:59 --> 00:36:03: 'cause I think some of these are not just survivors,

00:36:03 --> 00:36:06: but will do very well post covered,

00:36:06 --> 00:36:11: and particularly because there's not as much sales.

00:36:11 --> 00:36:16: Retail per square meter, but I think that.

00:36:16 --> 00:36:18: I think we'd shy away from that,

00:36:18 --> 00:36:24: and finally, you know to extent we could find logistics.

00:36:24 --> 00:36:30: You know, I think that logistics and even industrial property.

00:36:30 --> 00:36:36: Owner occupied property would be something I'd be

00:36:36 --> 00:36:37: extremely interested

00:36:36 --> 00:36:37: in acquiring.

00:36:37 --> 00:36:39: Enable.  
00:36:39 --> 00:36:41: And officers.  
00:36:41 --> 00:36:44: Um?  
00:36:44 --> 00:36:47: Yes, I mean.  
00:36:47 --> 00:36:49: I don't think there's a lot of overbuilding.  
00:36:49 --> 00:36:52: I think that that's an area that we're looking at,  
00:36:52 --> 00:36:55: and finally, you know, talking about the so-called distress market.  
00:36:57 --> 00:37:00: I think if there were hospitality.  
00:37:00 --> 00:37:03: Objects that.  
00:37:03 --> 00:37:08: Particularly, were drive to what I call drive to not  
00:37:08 --> 00:37:09: fly too.  
00:37:09 --> 00:37:11: We'd be quite interested in that.  
00:37:11 --> 00:37:16: 'cause you know, at some point people will forget.  
00:37:16 --> 00:37:19: This pandemic and I know that probably sounds like an  
00:37:19 --> 00:37:21: extraordinary statement.  
00:37:21 --> 00:37:22: 'cause we're in the middle of it,  
00:37:22 --> 00:37:25: but you know, we've gotten through.  
00:37:25 --> 00:37:27: Plagues we've gotten through fires.  
00:37:27 --> 00:37:32: We've gotten through bombs. We've gotten through all sorts of.  
00:37:32 --> 00:37:35: Unappealing things that have created recessions,  
00:37:35 --> 00:37:39: and we're going to get through this as well,  
00:37:39 --> 00:37:40: you know. And when we do,  
00:37:40 --> 00:37:43: we're going to go back to the things that we  
00:37:43 --> 00:37:44: enjoy,  
00:37:44 --> 00:37:47: you know? And it's it's all about creating memories,  
00:37:47 --> 00:37:53: and I think that that will mean that desirable objects  
00:37:53 --> 00:37:54: in Italy.  
00:37:54 --> 00:37:58: You know the things I even describe the the fly  
00:37:58 --> 00:37:58: to.  
00:37:58 --> 00:38:01: Hotels will be interesting now whether you can get those?  
00:38:01 --> 00:38:03: I mean the problem with.  
00:38:03 --> 00:38:05: The hotel market, as you know,  
00:38:05 --> 00:38:09: is that. They often trade once in a generation or  
00:38:09 --> 00:38:11: once or two or three generations,  
00:38:11 --> 00:38:14: so the price. You know it can be very expensive  
00:38:14 --> 00:38:16: and it may be quite difficult to.  
00:38:16 --> 00:38:20: To get those, but you know we're we're quite interested  
00:38:20 --> 00:38:23: in in the Italian market and we'd like to grow  
00:38:24 --> 00:38:25: our business if we can.  
00:38:25 --> 00:38:27: Over the next years.  
00:38:32 --> 00:38:35: Look at questions.

00:38:35 --> 00:38:39: There's a question from Greta Inzaghi.  
00:38:39 --> 00:38:44: Which goes back to the situation between college and Brexit.  
00:38:44 --> 00:38:47: And this is what about the mix between Covid and  
00:38:47 --> 00:38:48: Brexit?  
00:38:48 --> 00:38:52: Good financial flexibility and help the UK government to  
Oklahoma  
00:38:52 --> 00:38:53: this crisis.  
00:38:53 --> 00:38:56: And how is this mixed perceived by investors?  
00:38:59 --> 00:39:04: Um? You know, I investors have to me have expressed.  
00:39:04 --> 00:39:07: Firstly there is a paradox really in Brexit,  
00:39:07 --> 00:39:12: in the sense that. I can say this as you  
00:39:12 --> 00:39:12: know,  
00:39:12 --> 00:39:14: a.  
00:39:14 --> 00:39:18: Someone who's lived in London for 30 years but not  
00:39:18 --> 00:39:19: from London.  
00:39:19 --> 00:39:21: As you can tell from my accent,  
00:39:21 --> 00:39:25: the accent paradoxes, you know.  
00:39:25 --> 00:39:30: The people voted neroly. Well they voted convincingly for  
Brexit,  
00:39:30 --> 00:39:34: 52 1/2%. But you know it was really led by  
00:39:34 --> 00:39:35: the English.  
00:39:35 --> 00:39:39: But the paradox is that you know they want the  
00:39:39 --> 00:39:41: Scots to stay in.  
00:39:41 --> 00:39:41: But  
00:39:43 --> 00:39:47: you know, so they're not allowed to break up,  
00:39:47 --> 00:39:49: which I've always just find,  
00:39:49 --> 00:39:53: you know from a perspective a little bit challenging as  
00:39:53 --> 00:39:55: you think about it,  
00:39:55 --> 00:39:57: I I think that. Yeah,  
00:39:57 --> 00:39:59: we have this profound trade agreement,  
00:39:59 --> 00:40:01: you know, which needs to be sorted by the end  
00:40:01 --> 00:40:02: of the year.  
00:40:02 --> 00:40:05: I think that's difficult if not impossible to do in  
00:40:06 --> 00:40:07: that timeframe.  
00:40:07 --> 00:40:10: Friends of mine have negotiated trade agreement and say it  
00:40:10 --> 00:40:11: can take six years,  
00:40:11 --> 00:40:13: so I think that's very challenging,  
00:40:13 --> 00:40:15: especially for a nation that.  
00:40:15 --> 00:40:19: The deals with fishing rights.  
00:40:19 --> 00:40:22: I think that.  
00:40:22 --> 00:40:28: Covered, you know, exaggerates somebody issues 'cause  
we haven't.

00:40:28 --> 00:40:31: Dealt with this nearly as well as.

00:40:31 --> 00:40:36: You are certain that Germans have done in terms of

00:40:36 --> 00:40:39: international investment.

00:40:39 --> 00:40:41: You know, I think there's two points of view.

00:40:41 --> 00:40:44: One is.

00:40:44 --> 00:40:47: We're not going to do anything in the UK until

00:40:47 --> 00:40:50: the trade agreement is sorted.

00:40:50 --> 00:40:54: Partly that's a concern about the currency against the euro

00:40:54 --> 00:40:57: and against the dollar and other relevant currencies.

00:40:57 --> 00:41:00: You know, and partly it's a concern about.

00:41:02 --> 00:41:08: The economy which. This was not an economic decision in

00:41:08 --> 00:41:11: my humble judgment to Brexit.

00:41:11 --> 00:41:14: I mean, I think it was done for emotional reasons.

00:41:14 --> 00:41:16: Again, this is my personal opinion.

00:41:16 --> 00:41:20: More surrounding immigration and things that are valid

concerns.

00:41:20 --> 00:41:23: There's no question you know if you're threatened for your

00:41:23 --> 00:41:25: job by an immigrant,

00:41:25 --> 00:41:27: you probably want less immigrants.

00:41:27 --> 00:41:29: And there were other issues as well.

00:41:29 --> 00:41:31: Sovereignty was an important one,

00:41:31 --> 00:41:33: but from an economic point of view,

00:41:33 --> 00:41:36: if you've got frictionless trade.

00:41:36 --> 00:41:39: That helps the economy and we won't live with friction

00:41:39 --> 00:41:41: as trade in the future,

00:41:41 --> 00:41:43: so I think that some people say well wait till

00:41:43 --> 00:41:44: the end of the year.

00:41:44 --> 00:41:48: We'll see what happens with the trade agreement.

00:41:48 --> 00:41:52: There are other people that look at.

00:41:52 --> 00:41:53: UK and say it's a safe harbor,

00:41:53 --> 00:41:56: you know it's survived one and survive.

00:41:56 --> 00:41:59: As I mentioned earlier, you know it's a survive.

00:41:59 --> 00:42:02: Fires just survived plagues to survive bombings.

00:42:02 --> 00:42:06: It's you know, and it's going to be around.

00:42:06 --> 00:42:09: 100 years from now and I'm not saying it's going

00:42:09 --> 00:42:10: to be on the same level.

00:42:10 --> 00:42:13: Maybe it's other cities, but it's a reliable,

00:42:13 --> 00:42:15: safe place where if you make and invest for the

00:42:15 --> 00:42:18: last investment for the last 1000 years,

00:42:18 --> 00:42:20: you know one thing. No one is ever going to

00:42:20 --> 00:42:22: take it away from you.

00:42:22 --> 00:42:25: And that's important, and then.

00:42:25 --> 00:42:27: There's also, I think, uh,  
00:42:27 --> 00:42:31: uh, you know from a Middle Eastern perspective.  
00:42:31 --> 00:42:34: You know it's a little bit closer than the States  
00:42:34 --> 00:42:37: and it's probably seen a little bit more favorably than  
00:42:37 --> 00:42:40: America in the current environment,  
00:42:40 --> 00:42:42: which means that capital, I think,  
00:42:42 --> 00:42:45: will continue to flow not just to this place,  
00:42:45 --> 00:42:46: obviously, but but here.  
00:42:49 --> 00:42:54: Sorry, may I have a question for Roger Crystal Ball  
00:42:54 --> 00:42:55: question.  
00:42:55 --> 00:42:58: According to your opinion an.  
00:42:58 --> 00:43:04: In our long-term perspective, 5 seven years.  
00:43:04 --> 00:43:09: Do you think that we will have a permanent consequences  
00:43:09 --> 00:43:15: of Herman impactor regarding the coffee though the  
pandemic or  
00:43:15 --> 00:43:18: we will forget forgotten everything?  
00:43:20 --> 00:43:24: Well, it's an excellent question and you know I mean  
00:43:24 --> 00:43:25: the truth.  
00:43:25 --> 00:43:28: The matter is. You know this is the first true  
00:43:28 --> 00:43:32: pandemic since I guess the what Americans don't know what  
00:43:32 --> 00:43:35: the Americans called the Spanish flu.  
00:43:35 --> 00:43:37: You know around right after World War One,  
00:43:37 --> 00:43:44: which had three. Three waves and killed.  
00:43:44 --> 00:43:46: You know, upwards of you know,  
00:43:46 --> 00:43:48: I think it was maybe 5 million people,  
00:43:48 --> 00:43:49: so it was dressing more severe.  
00:43:49 --> 00:43:53: In fact, I think it was much higher than that  
00:43:53 --> 00:43:53: at that time.  
00:43:53 --> 00:43:54: And.  
00:43:56 --> 00:44:00: So. Having said no one knows,  
00:44:00 --> 00:44:04: look, I mean I. I think we'll find a vaccine.  
00:44:04 --> 00:44:07: I think the. The medical science.  
00:44:07 --> 00:44:11: You know whether it's Italian science or English science.  
00:44:11 --> 00:44:16: American science, you know they're approaching this the  
same way  
00:44:16 --> 00:44:20: they approached World War Two and developing the horrible  
bombs  
00:44:20 --> 00:44:21: that we have today.  
00:44:21 --> 00:44:24: You know, I mean, I think that every day we  
00:44:24 --> 00:44:26: get closer to a cure,  
00:44:26 --> 00:44:28: sorry, a vaccine for this.  
00:44:28 --> 00:44:31: And I think that when.  
00:44:31 --> 00:44:34: When we have that, which I.

00:44:34 --> 00:44:37: Hope and pray happens by the end of.  
00:44:37 --> 00:44:39: The year of the beginning of next year?  
00:44:39 --> 00:44:41: Not. I'm not saying it's disseminated,  
00:44:41 --> 00:44:44: I'm just saying it's invented.  
00:44:44 --> 00:44:48: It will take another year to disseminate it.  
00:44:48 --> 00:44:50: You know, I think over.  
00:44:50 --> 00:44:52: Look over.  
00:44:52 --> 00:44:53: Two or three years.  
00:44:55 --> 00:44:58: I don't think we will have forgotten,  
00:44:58 --> 00:45:01: but I think it will be a distant past memory.  
00:45:01 --> 00:45:03: You know, I think that.  
00:45:03 --> 00:45:06: You know people would be shopping the same way they  
00:45:06 --> 00:45:08: did people be officing and well shopping you know.  
00:45:08 --> 00:45:11: And given the changes, I'm talking about a little bit  
00:45:11 --> 00:45:12: differently,  
00:45:12 --> 00:45:13: but office and so forth.  
00:45:13 --> 00:45:16: I think. I think it's going to be in the  
00:45:16 --> 00:45:16: rearview mirror.  
00:45:16 --> 00:45:20: You know it's the same way as the great financial  
00:45:20 --> 00:45:20: crisis.  
00:45:20 --> 00:45:23: And, well, I think we're going to be permanently scarred  
00:45:23 --> 00:45:24: by this,  
00:45:24 --> 00:45:27: and I don't think this is something that will.  
00:45:27 --> 00:45:31: Quickly recover from. Yeah, I do think.  
00:45:31 --> 00:45:33: Will recover from this.  
00:45:36 --> 00:45:39: Provided there's a vaccine, if there's not a vaccine,  
00:45:39 --> 00:45:42: you know which I don't know whether it's a one  
00:45:42 --> 00:45:44: in 10 chance or one in five chance.  
00:45:44 --> 00:45:46: I think it's going to be,  
00:45:46 --> 00:45:49: you know, they're going to be enormous change.  
00:45:49 --> 00:45:52: I think that start with.  
00:45:52 --> 00:45:55: Start with the obvious you know the elderly with pre  
00:45:55 --> 00:45:57: existing conditions.  
00:45:57 --> 00:46:00: I mean here we've had a horrible incidents of deaths  
00:46:00 --> 00:46:01: in nursing homes.  
00:46:01 --> 00:46:03: And it could have been prevented,  
00:46:03 --> 00:46:07: but I don't think the government dealt with this quickly  
00:46:07 --> 00:46:08: enough.  
00:46:08 --> 00:46:10: But I think we're going to have to deal with  
00:46:10 --> 00:46:13: nursing homes in a completely different way.  
00:46:13 --> 00:46:16: I mean, we've got to target this if you will,  
00:46:16 --> 00:46:19: 'cause the chances of death are much higher if you're

00:46:19 --> 00:46:21: above 70 with a pre existing condition,  
00:46:21 --> 00:46:24: then if you're 25, but I think we're also going  
00:46:24 --> 00:46:26: to have to educate people about covered,  
00:46:26 --> 00:46:28: and I think we're going to.  
00:46:28 --> 00:46:31: We fly and travel would be permanently changed.  
00:46:31 --> 00:46:32: I took the cost of.  
00:46:32 --> 00:46:37: Of operating in the hotel would be permanently changed in  
00:46:37 --> 00:46:38: the amount of.  
00:46:38 --> 00:46:41: The cost of different elevator banks.  
00:46:41 --> 00:46:43: How you build office buildings.  
00:46:43 --> 00:46:44: If you can imagine this,  
00:46:44 --> 00:46:47: you may have four banks of elevators instead of 1,  
00:46:47 --> 00:46:50: so there are fewer people that go up and down  
00:46:50 --> 00:46:54: and elevators will be more space associated with office  
properties.  
00:46:54 --> 00:46:57: It could be enormous. Now I don't think that's the  
00:46:57 --> 00:46:58: likely outcome,  
00:46:58 --> 00:47:02: but I think. If we have to live with this  
00:47:02 --> 00:47:04: for a long period of time,  
00:47:04 --> 00:47:08: everything about that is costly and you know it's going  
00:47:09 --> 00:47:09: to lead to.  
00:47:13 --> 00:47:17: I think changes in how we live and how we  
00:47:17 --> 00:47:19: how we interact with others.  
00:47:23 --> 00:47:25: Thank you Robin Dave Barry.  
00:47:25 --> 00:47:28: Did you have any further questions?  
00:47:28 --> 00:47:32: No, there isn't a question from Yucca Valley elephant.  
00:47:32 --> 00:47:36: Anna, I read the question.  
00:47:36 --> 00:47:42: Governmental or administrative measures in particular could  
help increase foreign  
00:47:42 --> 00:47:46: investor interest in the Italian real estate market.  
00:47:49 --> 00:47:53: So the question is, can government measures help increase  
and  
00:47:53 --> 00:47:58: foster their their their foreign investor interest in the Italian  
00:47:58 --> 00:47:59: real estate market?  
00:47:59 --> 00:48:02: What could we do?  
00:48:02 --> 00:48:07: Italian market makers. List of administrative measure.  
00:48:07 --> 00:48:08: Well, I think.  
00:48:10 --> 00:48:14: I, I think to the extent the government well whether  
00:48:14 --> 00:48:16: they can do this or not.  
00:48:16 --> 00:48:19: I mean, you know transparency is very important.  
00:48:19 --> 00:48:26: So I think that. Understanding I mean basic things.  
00:48:26 --> 00:48:32: Rents recent trades. The price per square meter,  
00:48:32 --> 00:48:33: the rent per square foot.

00:48:33 --> 00:48:35: I mean you have this,  
00:48:35 --> 00:48:39: but making it even more transparent would be quite helpful.  
00:48:39 --> 00:48:42: Two is tax. I mean any you know any?  
00:48:42 --> 00:48:46: We always think about this and it's second in the  
00:48:46 --> 00:48:47: economics.  
00:48:47 --> 00:48:51: But you know anything that can be done to reduce  
00:48:51 --> 00:48:52: tax I think is.  
00:48:52 --> 00:48:58: Extremely important because on a relative basis.  
00:48:58 --> 00:49:01: It's cheaper in some countries to operate 'cause there's less  
00:49:01 --> 00:49:05: tax in other countries where there's a lot of tax  
00:49:05 --> 00:49:07: of government reduced that are illuminated.  
00:49:07 --> 00:49:09: It not to say they should,  
00:49:09 --> 00:49:13: but if they did, that would be extremely healthy.  
00:49:13 --> 00:49:19: To greater investment in in the market.  
00:49:19 --> 00:49:20: I think they.  
00:49:24 --> 00:49:27: I think the final thing is.  
00:49:27 --> 00:49:29: It's a government you know,  
00:49:29 --> 00:49:32: and again, this is quite difficult,  
00:49:32 --> 00:49:34: but.  
00:49:34 --> 00:49:38: Currently in Italy it's more challenging to get a loan  
00:49:38 --> 00:49:42: on an asset than it is in other countries in.  
00:49:42 --> 00:49:47: In Europe. And if the government could somehow.  
00:49:47 --> 00:49:51: Encourage banks to lend. I'm not saying do stupid things,  
00:49:51 --> 00:49:53: I'm just saying the lend.  
00:49:53 --> 00:49:59: Both more efficiently and at levels that are conservative but.  
00:49:59 --> 00:50:00: With the banks making money,  
00:50:00 --> 00:50:02: I think that would also help,  
00:50:02 --> 00:50:04: and if we find often.  
00:50:04 --> 00:50:07: It's more difficult in the country.  
00:50:07 --> 00:50:12: To get domestic loans. Then in other places in Europe,  
00:50:12 --> 00:50:16: so those would be the three principal things I'd say.  
00:50:16 --> 00:50:19: The problem is, is the risk level for investing in  
00:50:19 --> 00:50:22: Italy compared to Germany elsewhere?  
00:50:24 --> 00:50:29: Um? Look, I think that.  
00:50:29 --> 00:50:29: Uh.  
00:50:32 --> 00:50:36: I think that.  
00:50:36 --> 00:50:38: There, there's sort of two levels of risk,  
00:50:38 --> 00:50:41: or, you know, one is.  
00:50:41 --> 00:50:41: Um?  
00:50:44 --> 00:50:49: I think the perception on the global stage is that.  
00:50:49 --> 00:50:53: Germany is a.  
00:50:53 --> 00:50:57: You know it's a larger market and.



00:50:57 --> 00:51:00: There's more trading activity there.  
00:51:00 --> 00:51:03: Then in Italy, so I think people.  
00:51:03 --> 00:51:07: Hardly go to Germany because it's easier to transact.  
00:51:07 --> 00:51:11: Then then what it is in in Italy?  
00:51:13 --> 00:51:16: Now I think that the other.  
00:51:16 --> 00:51:20: Reason it gets jacked just back to it's it's hard  
00:51:20 --> 00:51:22: to describe but it's.  
00:51:22 --> 00:51:25: Something esoteric, 8. Ease of doing business.  
00:51:25 --> 00:51:29: I just think that my business experience in the many  
00:51:29 --> 00:51:32: years I've been active in both markets is.  
00:51:32 --> 00:51:36: It's it's just. Slightly harder for whatever reason,  
00:51:36 --> 00:51:40: some of it is. You know it.  
00:51:40 --> 00:51:44: Property zone inside vehicles and you've got to unpack the  
00:51:44 --> 00:51:48: vehicle and then you've got to convince someone who you  
00:51:48 --> 00:51:50: know arguably manage is the vehicle,  
00:51:50 --> 00:51:54: but doesn't own it, that they've gotta sell it to  
00:51:54 --> 00:51:58: you that that that presents a level difficulty in races.  
00:51:58 --> 00:52:02: The transaction costs, I think in other markets that's more  
00:52:02 --> 00:52:04: efficient than what it is in in Italy.  
00:52:04 --> 00:52:09: Now that's a vehicle you know that's designed specifically for  
00:52:09 --> 00:52:09: Italy,  
00:52:09 --> 00:52:12: but it's not designed for.  
00:52:12 --> 00:52:14: For foreign capital, you know,  
00:52:14 --> 00:52:18: but I think what people have been were excited about  
00:52:18 --> 00:52:19: Italy,  
00:52:19 --> 00:52:20: you know, and we've done.  
00:52:20 --> 00:52:25: Well, you know there's other competitors of ours that are  
00:52:25 --> 00:52:26: excited as you know,  
00:52:26 --> 00:52:28: have done it well. I mean,  
00:52:28 --> 00:52:32: you know so, and I think in this market.  
00:52:32 --> 00:52:35: Up until covered.  
00:52:35 --> 00:52:38: There was far more focus for us on Italy than  
00:52:38 --> 00:52:39: what there was the UK,  
00:52:39 --> 00:52:42: right? Just 'cause I think he thinks here got very  
00:52:43 --> 00:52:46: very very expensive and I'm not saying things are going  
00:52:46 --> 00:52:47: to get cheap here,  
00:52:47 --> 00:52:52: right? You know we don't know 'cause there hasn't been  
00:52:52 --> 00:52:54: enough direct.  
00:52:54 --> 00:52:57: Market transactions if things we see in September,  
00:52:57 --> 00:52:59: October things are the same here.  
00:52:59 --> 00:53:02: You know we'll continue to look at it because I  
00:53:02 --> 00:53:04: never think it quite.

00:53:04 --> 00:53:06: Got out of the last financial recession,  
00:53:06 --> 00:53:10: you know, I I still think there's interesting opportunities in  
00:53:10 --> 00:53:11: the industrial,  
00:53:11 --> 00:53:14: logistics and hospitality space there.  
00:53:16 --> 00:53:22: Thank you, Roger. Darling, did you have any other  
questions?  
00:53:22 --> 00:53:24: Yes, I I have a question.  
00:53:24 --> 00:53:29: Just for my opinion. Now in Italy we have a  
00:53:30 --> 00:53:33: very small domestic market.  
00:53:33 --> 00:53:37: Because we are very smaller Italian operator.  
00:53:37 --> 00:53:41: So from an international investor POV to have the biggest  
00:53:41 --> 00:53:47: competition only with the international competitor is an  
advantage or  
00:53:47 --> 00:53:48: disadvantage.  
00:53:48 --> 00:53:53: So you prefer to have a big domestic market similar  
00:53:53 --> 00:53:55: to German market for example.  
00:53:59 --> 00:54:01: You know it's a very good question.  
00:54:01 --> 00:54:03: I mean, look, I, I guess I'd say that less  
00:54:03 --> 00:54:05: competition to better quite honestly,  
00:54:05 --> 00:54:08: so you know.  
00:54:08 --> 00:54:11: I think that you know Germany's all the advantage we  
00:54:11 --> 00:54:11: have.  
00:54:11 --> 00:54:13: Like let's say to Paul,  
00:54:13 --> 00:54:16: and now we're not. We're not the only one that  
00:54:16 --> 00:54:17: has this advantage,  
00:54:17 --> 00:54:20: but you know, it's a the current fund.  
00:54:20 --> 00:54:23: We're operating out is 4 1/2 billion and we can  
00:54:23 --> 00:54:26: buy all cash and we can worry about financing later  
00:54:26 --> 00:54:27: if you will.  
00:54:27 --> 00:54:30: I mean, you know, we like to know we're going  
00:54:30 --> 00:54:31: to get financing,  
00:54:31 --> 00:54:35: but you know and and and what that does.  
00:54:35 --> 00:54:38: In some instances, is takes away the entrepreneurs from the  
00:54:38 --> 00:54:41: market 'cause you know they've got to get a bank  
00:54:41 --> 00:54:44: to back them because they're not going to be able  
00:54:44 --> 00:54:47: to buy something for 50,000,000 or 100 million on all  
00:54:47 --> 00:54:48: cash basis.  
00:54:48 --> 00:54:49: Anne.  
00:54:51 --> 00:54:55: Germany, slightly different 'cause it's replete with lending  
institutions and  
00:54:55 --> 00:54:56: you know,  
00:54:56 --> 00:54:58: you could argue it's over bank.  
00:54:58 --> 00:55:00: You know you've got this park houses.

00:55:00 --> 00:55:02: You've got. The bond is bunk.  
00:55:02 --> 00:55:05: Should cut the big banks so you know I don't  
00:55:05 --> 00:55:06: think anyone,  
00:55:06 --> 00:55:09: especially someone who has a relationship there,  
00:55:09 --> 00:55:13: has difficulty in lending. But there's still a difference between  
00:55:13 --> 00:55:16: someone paying all cash and and.  
00:55:16 --> 00:55:19: Not being able to pay all cash,  
00:55:19 --> 00:55:23: but I think they local market.  
00:55:23 --> 00:55:26: You know does prevent present formidable challenges.  
00:55:26 --> 00:55:30: I mean, you have something that we have a brand  
00:55:30 --> 00:55:32: and and you know with with.  
00:55:32 --> 00:55:34: With people we have on the ground,  
00:55:34 --> 00:55:36: we have some trust, but you know real estate.  
00:55:36 --> 00:55:38: One of the great one of the reasons I got  
00:55:38 --> 00:55:41: into real estate and a lot of it comes down  
00:55:41 --> 00:55:41: to.  
00:55:41 --> 00:55:43: To trust in the local market knowledge,  
00:55:43 --> 00:55:47: and I think that you know when you're on the  
00:55:47 --> 00:55:50: ground and you can look someone in the eye and  
00:55:50 --> 00:55:52: say you're going to do something.  
00:55:52 --> 00:55:54: That counts for a lot,  
00:55:54 --> 00:55:57: and in some instances counts for more than.  
00:55:57 --> 00:56:00: Me or anyone is as powerful brand saying you could  
00:56:00 --> 00:56:01: do so.  
00:56:01 --> 00:56:02: Part of that's of course scale.  
00:56:02 --> 00:56:04: It's one thing you know,  
00:56:04 --> 00:56:06: if I say I can buy a billion.  
00:56:06 --> 00:56:08: Euros of assets. You know,  
00:56:08 --> 00:56:11: I probably can with firepower I've got,  
00:56:11 --> 00:56:16: but if someone is comparing me to local market buyer  
00:56:16 --> 00:56:17: for 50,000,000.  
00:56:17 --> 00:56:20: And he's not well acquainted with me.  
00:56:20 --> 00:56:22: I think you, as a local player,  
00:56:22 --> 00:56:26: have an enormous advantage that I can't replicate it.  
00:56:28 --> 00:56:31: OK, thank you Roger. Can you hear me?  
00:56:31 --> 00:56:33: Yes, it's Luca. Hi Roger,  
00:56:33 --> 00:56:37: how are you? I'm very well how you doing?  
00:56:37 --> 00:56:40: I'm doing great thanks. Thanks for having me.  
00:56:40 --> 00:56:44: Thank you, thank you for joining us very briefly.  
00:56:44 --> 00:56:46: I just I guess we are at the end of  
00:56:46 --> 00:56:48: the panel of the weaponer.  
00:56:48 --> 00:56:52: Andrea, David and all my colleagues in the committee did

00:56:52 --> 00:56:56: amazing questions and you were supporting us so much with  
00:56:57 --> 00:57:00: your wise and your your your view on the markets.  
00:57:00 --> 00:57:05: So I would like to change quickly subject because you're  
00:57:05 --> 00:57:09: you are living in London we obviously touched.  
00:57:09 --> 00:57:13: In many questions they covet and I would like you  
00:57:13 --> 00:57:16: to comment to give us a view on what you  
00:57:16 --> 00:57:18: think Boris Johnson did,  
00:57:18 --> 00:57:20: managed the emergency in UK,  
00:57:20 --> 00:57:25: especially considering the way we went through the way we  
00:57:25 --> 00:57:27: thought about against it,  
00:57:27 --> 00:57:31: and so I'm curious to see it being.  
00:57:31 --> 00:57:33: Is someone living in London?  
00:57:33 --> 00:57:37: How would you rate what you consider was the approach  
00:57:37 --> 00:57:38: of Boris Johnson?  
00:57:40 --> 00:57:45: Well look and this is this is a private conversation  
00:57:45 --> 00:57:47: I I think that the.  
00:57:47 --> 00:57:50: Um? I think let's call it the government.  
00:57:50 --> 00:57:53: You know? 'cause it's not just.  
00:57:53 --> 00:57:53: Sure.  
00:57:55 --> 00:58:01: I think Boris is a terrific campaigner.  
00:58:01 --> 00:58:05: For political office, but I think to date he's proven  
00:58:05 --> 00:58:07: to be a poor administrator.  
00:58:07 --> 00:58:10: So now it follows on from that is,  
00:58:10 --> 00:58:13: I think we've done. The government has done a.  
00:58:16 --> 00:58:19: An OK job I I won't quite say poor,  
00:58:19 --> 00:58:23: but compared to other. European governments,  
00:58:23 --> 00:58:27: I think were very slow to react.  
00:58:27 --> 00:58:31: I think we focused on the wrong things.  
00:58:31 --> 00:58:35: Meaning, you know we didn't focus on nursing homes and  
00:58:35 --> 00:58:37: we should have much earlier.  
00:58:37 --> 00:58:41: I think we should have instituted testing and tracing a  
00:58:41 --> 00:58:42: lot quicker.  
00:58:42 --> 00:58:46: I think if we had instituted lockdown a week earlier,  
00:58:46 --> 00:58:50: we would have been much better off than what we  
00:58:50 --> 00:58:51: are today now.  
00:58:51 --> 00:58:53: I mean, in terms of Boris.  
00:58:53 --> 00:58:57: What the poor guy did have coronavirus right in.  
00:58:57 --> 00:59:00: You know he's also got a young baby at,  
00:59:00 --> 00:59:04: you know. So I don't want to make excuses,  
00:59:04 --> 00:59:07: you know, but I think for parts of this he  
00:59:07 --> 00:59:10: was afflicted with this terrible disease.  
00:59:10 --> 00:59:15: Ann was unable to react the way he.

00:59:15 --> 00:59:18: Perhaps might've if he were.  
00:59:18 --> 00:59:23: Able I think, however knowing Boris.  
00:59:23 --> 00:59:29: Somewhat, I think the best thing would have been if  
00:59:29 --> 00:59:31: he had appointed a.  
00:59:31 --> 00:59:33: Someone to do this for him?  
00:59:33 --> 00:59:36: You know? I think if we had had a cabinet  
00:59:36 --> 00:59:37: person.  
00:59:37 --> 00:59:40: Who administer wasn't necessarily just a doctor,  
00:59:40 --> 00:59:43: but just someone who dealt with the whole thing.  
00:59:43 --> 00:59:46: Make up maybe a Michael Gove or someone like that  
00:59:46 --> 00:59:49: who is very competent and could take decisions and just  
00:59:49 --> 00:59:50: move on.  
00:59:50 --> 00:59:53: I think we may have been better 'cause the the  
00:59:53 --> 00:59:54: problem is you know.  
00:59:54 --> 00:59:57: Covered is a wartime thing.  
00:59:57 --> 01:00:01: You know an. I think it requires.  
01:00:01 --> 01:00:04: Almost a military type. Response,  
01:00:04 --> 01:00:07: meaning you know you've got to take decisions and you've  
01:00:07 --> 01:00:09: got to act quickly and you know you've got to  
01:00:09 --> 01:00:09: adapt.  
01:00:09 --> 01:00:11: If you lose a battle,  
01:00:11 --> 01:00:14: you've gotta adapt because you're fighting a war.  
01:00:14 --> 01:00:16: And I think.  
01:00:16 --> 01:00:18: I think I I don't think we've,  
01:00:18 --> 01:00:21: you know. Done, you know a very good job to  
01:00:21 --> 01:00:23: answer your question.  
01:00:23 --> 01:00:25: We look at we could have done far better.  
01:00:25 --> 01:00:29: The statistics bear me out.  
01:00:29 --> 01:00:32: Great thank you was not an easy and easy answer  
01:00:32 --> 01:00:35: and I appreciate the way you manage it.  
01:00:35 --> 01:00:39: Thank you Yep, no, not at all.  
01:00:39 --> 01:00:43: No, I think we've done our hour.  
01:00:43 --> 01:00:46: You too thank you on behalf of all of us  
01:00:46 --> 01:00:48: and all of you allow Italy.  
01:00:48 --> 01:00:52: It's very kind of you to give us this time  
01:00:52 --> 01:00:55: and your answers are if you allow me to say  
01:00:55 --> 01:00:57: all the illuminating.  
01:00:57 --> 01:00:59: So that's very good for us all.  
01:00:59 --> 01:01:00: Good very much.  
01:01:02 --> 01:01:05: Thank you, thank you so much for having me.  
01:01:05 --> 01:01:07: Thank you, Roger, thank you.  
01:01:07 --> 01:01:10: Thank you everybody. Thanks bye bye.

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