

Podcast Episode

Season 2, Episode 9: William Polisano, Co-Founder & CEO, Drum London (UK),
 in place of??Theodora Beckett (UK)

From the ULI's New Real Estate Vanguard

Date: March 25, 2025

00:00:03 --> 00:00:04: Hello and welcome.

00:00:04 --> 00:00:07: My name is Robin Marriott of Property EU and I'm

00:00:07 --> 00:00:10: delighted to be hosting this second edition of the Urban

00:00:10 --> 00:00:12: Land Institutes Vanguard podcast series.

00:00:13 --> 00:00:16: Now, the ULI brings together real estate land use experts

00:00:16 --> 00:00:19: from around the globe with a clear mission to shape

00:00:19 --> 00:00:23: the built environment and have a transformative impact in

00:00:23 --> 00:00:25: neighborhoods,

00:00:23 --> 00:00:25: cities and communities.

00:00:25 --> 00:00:28: And this podcast series focuses on that future and that

00:00:28 --> 00:00:29: transformative impact.

00:00:29 --> 00:00:34: Now, the ULI Young Leaders Group recently selected 10

00:00:34 --> 00:00:38: outstanding

00:00:34 --> 00:00:38: young professionals already making waves in the industry,

00:00:34 --> 00:00:38: calling them

00:00:38 --> 00:00:42: the new Real Estate Vanguard, and I'm delighted to welcome

00:00:42 --> 00:00:45: one of them, William Polisano, founder of the UK group

00:00:45 --> 00:00:46: Drum.

00:00:46 --> 00:00:48: William, welcome to the podcast.

00:00:48 --> 00:00:49: Thank you very much.

00:00:49 --> 00:00:51: First things first, now 2.

00:00:51 --> 00:00:51: Two things, yeah.

00:00:52 --> 00:00:54: Is it drum or is it drum?

00:00:54 --> 00:00:58: London, Drum London because there's a Scottish property

00:00:54 --> 00:00:58: group that

00:00:58 --> 00:01:01: is far more successful than we are called Drum Property

00:01:01 --> 00:01:04: Group, I think so definitely Drum London.

00:01:04 --> 00:01:04: Drum, London.

00:01:04 --> 00:01:08: Yeah, Second question, You probably ask this every day of
00:01:08 --> 00:01:10: your a working career.
00:01:10 --> 00:01:15: Are you related to the famous architect Lee Polisano?
00:01:15 --> 00:01:16: For my sins, I am.
00:01:16 --> 00:01:17: Yes, he is.
00:01:17 --> 00:01:19: My father he is.
00:01:20 --> 00:01:21: There's actually a few.
00:01:21 --> 00:01:26: There's a few polisanos floating around, the couple that
aren't
00:01:26 --> 00:01:29: related to us, architects that aren't related to us, and
00:01:30 --> 00:01:34: my younger brother who is an industrial designer actually
working
00:01:34 --> 00:01:36: at PLP right now as well.
00:01:36 --> 00:01:36: You see?
00:01:37 --> 00:01:39: So you may stumble across him at some point.
00:01:39 --> 00:01:40: Right, right.
00:01:40 --> 00:01:43: So this is basically answered the first question that I
00:01:43 --> 00:01:46: pretty much asked all those people that are joining us
00:01:46 --> 00:01:48: on this series, which is, you know, why real estate.
00:01:48 --> 00:01:50: So in a way, did you even have a?
00:01:51 --> 00:01:52: Did you even have a choice?
00:01:52 --> 00:01:54: I did have a choice.
00:01:54 --> 00:01:57: So let me premise all of this by saying I'm
00:01:57 --> 00:02:00: not actually meant to be sitting here.
00:02:02 --> 00:02:06: This I guess nomination was originally intended for my wife
00:02:06 --> 00:02:10: who is the other Co founder of Drum London, Theodora.
00:02:11 --> 00:02:16: But we welcomed our daughter at the beginning of
December,
00:02:16 --> 00:02:19: which is obviously taken taken priority.
00:02:21 --> 00:02:22: So I've stepped in.
00:02:22 --> 00:02:25: But I guess the answer for both of us is
00:02:25 --> 00:02:26: quite similar.
00:02:26 --> 00:02:32: We both come from, I guess, backgrounds dominated by the
00:02:32 --> 00:02:34: built environment.
00:02:34 --> 00:02:36: Both of her parents were architects.
00:02:37 --> 00:02:42: My dad's an architect, my uncle's in the construction industry.
00:02:44 --> 00:02:46: My grandfather built swimming pools.
00:02:46 --> 00:02:48: So it's kind of it's, I think there was a
00:02:48 --> 00:02:51: choice, but it was always the easy option because, you
00:02:51 --> 00:02:54: know, the routes that were available to me in my
00:02:54 --> 00:02:57: late teens and early 20s in terms of work experience
00:02:57 --> 00:03:00: were those in the built environment because I had a
00:03:00 --> 00:03:03: very close family member in the built environment.

00:03:03 --> 00:03:07: So, you know, my first bit of my first work
00:03:07 --> 00:03:09: placement was with Mace, right?
00:03:09 --> 00:03:13: If he'd been a dentist, my first placement probably would
00:03:13 --> 00:03:14: have been with a dentist.
00:03:16 --> 00:03:18: But no, I mean, I I have AI did a
00:03:18 --> 00:03:22: history degree, have latterly gone and done a a degree
00:03:22 --> 00:03:25: in real estate finance, but much more of a words
00:03:25 --> 00:03:29: person, as you'll probably get from this podcast, much more
00:03:29 --> 00:03:32: of a words person than a than the numbers or
00:03:32 --> 00:03:34: or, you know, drawings.
00:03:34 --> 00:03:35: Visuals.
00:03:35 --> 00:03:36: But my history you could have.
00:03:36 --> 00:03:38: You could have studied architecture, I suppose, couldn't
00:03:38 --> 00:03:41: you?
00:03:38 --> 00:03:41: Far too far too intelligent to study architecture.
00:03:44 --> 00:03:44: I love.
00:03:44 --> 00:03:48: I love architecture, I love design.
00:03:48 --> 00:03:51: It's not the reason that I went into this industry.
00:03:51 --> 00:03:55: I think my especially, you know, spending every more or
00:03:55 --> 00:03:58: less every day of my life in London, in kind
00:03:58 --> 00:04:01: of inner London, my wife for going into real estate
00:04:02 --> 00:04:05: was always focused more on kind of places and the
00:04:05 --> 00:04:09: interaction of people within those places and spaces than it
00:04:09 --> 00:04:13: was on the, you know, the style of architecture or
00:04:13 --> 00:04:17: the, you know, the design of the buildings that inhabit
00:04:17 --> 00:04:18: those places, as it were.
00:04:18 --> 00:04:23: So was never interested in going into the design side.
00:04:24 --> 00:04:26: Complete opposite to my brother, who obviously was.
00:04:28 --> 00:04:30: But that's just how the cookie crumbles, I guess.
00:04:30 --> 00:04:31: And same with Theodora.
00:04:31 --> 00:04:39: She I guess academic and professional background separate
00:04:39 --> 00:04:42: to Drum
00:04:39 --> 00:04:42: is in region placemaking.
00:04:43 --> 00:04:47: She's a she's a essentially a socio economic consultant for
00:04:47 --> 00:04:51: private and public land owners looking to maximize value,
00:04:51 --> 00:04:53: both
00:04:51 --> 00:04:53: both financial and social.
00:04:54 --> 00:05:00: So children of architects, yes definitely interest in real estate
00:05:00 --> 00:05:05: in the built environment in the blood, but but not
00:05:05 --> 00:05:10: not looking to continue the line of extremely long hours
00:05:10 --> 00:05:12: and angry client.
00:05:12 --> 00:05:13: I wanted to be the angry client guessing on the
00:05:13 --> 00:05:14: other side so.

00:05:16 --> 00:05:17: This is illuminating.
00:05:17 --> 00:05:18: Is that what it's like?
00:05:18 --> 00:05:19: We should get you talking just.
00:05:19 --> 00:05:21: About that, no long.
00:05:21 --> 00:05:21: Hours.
00:05:21 --> 00:05:23: Extremely angry.
00:05:23 --> 00:05:24: Client long hours is that?
00:05:24 --> 00:05:25: What you got from your dad?
00:05:25 --> 00:05:28: This is what he says, Yes, More or less, yeah.
00:05:29 --> 00:05:31: On the history side, by the way, so you're in
00:05:31 --> 00:05:32: London though, right?
00:05:32 --> 00:05:32: Same as me.
00:05:33 --> 00:05:35: So if you know all about do you know about
00:05:35 --> 00:05:36: the history of London then?
00:05:36 --> 00:05:39: I know, I know some things about the history of
00:05:39 --> 00:05:39: London.
00:05:40 --> 00:05:41: Can we go out for like a pub call at
00:05:41 --> 00:05:43: some point across London and you can point out all
00:05:44 --> 00:05:45: the things I don't know?
00:05:45 --> 00:05:47: About that or you could point out the things that
00:05:47 --> 00:05:48: I don't know.
00:05:48 --> 00:05:48: I would.
00:05:48 --> 00:05:49: I would like that a lot.
00:05:49 --> 00:05:54: I know a lot about we said this South and
00:05:54 --> 00:05:55: West London.
00:05:56 --> 00:05:59: I've been growing up in West London and very little
00:05:59 --> 00:06:01: about North and East London.
00:06:01 --> 00:06:02: Oh that would be perfect.
00:06:03 --> 00:06:06: My grandfather was a Docker, his dad was a Docker
00:06:06 --> 00:06:11: and also professional footballer for West Ham, which was
obviously
00:06:11 --> 00:06:14: a club that was born out of the Ironworks.
00:06:14 --> 00:06:15: Hence the.
00:06:15 --> 00:06:16: Yeah, probably.
00:06:16 --> 00:06:19: Know that I could take you all around the former
00:06:19 --> 00:06:21: dock sort of area and you've seen all the development
00:06:21 --> 00:06:24: taking place and I can share privately some of the
00:06:24 --> 00:06:26: stories that my granddad used to tell life from the
00:06:26 --> 00:06:27: docks.
00:06:27 --> 00:06:28: I would enjoy that very much.
00:06:28 --> 00:06:31: Excellent, so we've got a little bro bro date sorted
00:06:31 --> 00:06:31: out.

00:06:31 --> 00:06:32: Indeed.

00:06:32 --> 00:06:35: If nothing else, just tell us a little bit about

00:06:35 --> 00:06:37: your early time.

00:06:37 --> 00:06:39: I had a peek at your biography and I saw

00:06:39 --> 00:06:43: that talking about placemaking you, you have, you've worked on

00:06:43 --> 00:06:45: some very large urban projects, haven't you?

00:06:45 --> 00:06:49: Silver Town Keys is 1 and 20 Bishopsgate.

00:06:49 --> 00:06:50: 22 Bishopsgate, Yeah.

00:06:50 --> 00:06:51: Both in London.

00:06:51 --> 00:06:52: Tell us about those projects.

00:06:54 --> 00:06:57: So my involvement on 22 was much I guess deeper

00:06:57 --> 00:07:01: than my involvement was on Silver Town, although Silver Town

00:07:01 --> 00:07:04: was one of the first projects coming up to 10

00:07:04 --> 00:07:07: years ago now that I ever worked on when I

00:07:07 --> 00:07:09: was at Lipton Rogers Development.

00:07:09 --> 00:07:12: So that was a it's now being brought forward by

00:07:12 --> 00:07:16: Lend Lease, but at the time was under the stewardship

00:07:16 --> 00:07:20: of of Charles Field, Macquarie and first base that that

00:07:20 --> 00:07:25: Silver Town partnership had then appointed first base Lipton Rogers

00:07:25 --> 00:07:27: as the development manager.

00:07:27 --> 00:07:30: So I got some exposure to a, you know, 62

00:07:30 --> 00:07:35: acre, I guess, blank canvas with some very interesting heritage

00:07:35 --> 00:07:37: assets sitting on it.

00:07:40 --> 00:07:44: And at the time, the the central idea for for

00:07:44 --> 00:07:50: the regeneration of Silver Town was around brand experience spaces.

00:07:50 --> 00:07:53: So it was about bringing a kind of new type

00:07:53 --> 00:07:56: of, you know, we talk a lot about immersive commercial

00:07:56 --> 00:08:00: spaces now, but bringing a new type of immersion and

00:08:00 --> 00:08:03: brand experience to to a part of London where, you

00:08:03 --> 00:08:06: know, not exactly known for as a retail destination.

00:08:07 --> 00:08:11: So it would have been a truly mixed-use zone as

00:08:11 --> 00:08:15: it will be now, but under a slightly different I

00:08:15 --> 00:08:16: guess guys.

00:08:17 --> 00:08:22: So we and we got an outline planning consent there.

00:08:22 --> 00:08:25: Oh, I don't remember the exact year, but sadly didn't

00:08:25 --> 00:08:28: have the opportunity to bring it forward, which is which

00:08:28 --> 00:08:29: is often the case.

00:08:29 --> 00:08:32: And it was, it was sold on in in 2018.

00:08:33 --> 00:08:37: And now you know, thankfully it is being brought forward
00:08:37 --> 00:08:40: because it's a huge hunk of land that needs to
00:08:40 --> 00:08:42: needs to serve a purpose for London.
00:08:45 --> 00:08:51: Equally large and I guess probably more more complex
scheme
00:08:51 --> 00:08:53: was 22 Bishopsgate.
00:08:53 --> 00:08:56: So that was the old Pinnacle site or old Helter
00:08:56 --> 00:09:00: Skelter site, which was fondly known as the Stump because
00:09:00 --> 00:09:03: the previous owners had run out of money.
00:09:04 --> 00:09:08: They were attempting to build out a design that was
00:09:08 --> 00:09:13: most certainly a pre global financial crisis design simply
wasn't
00:09:13 --> 00:09:13: viable.
00:09:13 --> 00:09:18: So Stuart Lipton and Peter Rogers did what they do
00:09:18 --> 00:09:25: best, which is to turn non viable opportunities into viable
00:09:25 --> 00:09:26: ones and spent.
00:09:28 --> 00:09:31: So actually my my first year at Lipton, Rodgers was
00:09:31 --> 00:09:37: spent speculatively circling around this, you know, most
mythical opportunity
00:09:37 --> 00:09:40: in the city, which ended up being 22 and with
00:09:40 --> 00:09:44: the backing of an AXA LED consortium of investors who
00:09:44 --> 00:09:48: did the largest all equity deal, I think ever done
00:09:48 --> 00:09:50: for a single office building in Europe.
00:09:52 --> 00:09:56: We bought the site in early 2015 and spent the
00:09:57 --> 00:10:01: next year and a half working up a planning application
00:10:02 --> 00:10:06: for a 2,000,000 square foot, 278 meter tower that you
00:10:06 --> 00:10:08: now see in the city.
00:10:09 --> 00:10:13: So that was obviously obviously incredibly special.
00:10:13 --> 00:10:16: That was a privilege to work on work predominantly the
00:10:16 --> 00:10:18: majority of my work as a development manager has been
00:10:18 --> 00:10:19: on the front end.
00:10:19 --> 00:10:22: So acquisition, design, finance and planning.
00:10:24 --> 00:10:27: And that was that was a real privilege to work
00:10:27 --> 00:10:27: on.
00:10:27 --> 00:10:31: And more recently, I guess if we're talking non drum
00:10:31 --> 00:10:34: related things, I've spent the best part of two years
00:10:34 --> 00:10:38: working with my old the development director from Lipton
Rodgers
00:10:38 --> 00:10:41: and a new venture called Frame very large scheme, 4
00:10:41 --> 00:10:44: 1/2 acre site called one portal way in North Acton.
00:10:45 --> 00:10:49: So that's got a planning application in for again, 2,000,000
00:10:49 --> 00:10:52: square feet truly mixed-use.
00:10:52 --> 00:10:55: So a mix of bill to rent for sale, some

00:10:55 --> 00:11:00: Co living a hotel 250,000 ish square feet of workspace.
00:11:02 --> 00:11:07: So I've been very lucky in having had the opportunity
00:11:07 --> 00:11:11: to work on some schemes that definitely have or or
00:11:11 --> 00:11:15: will continue to shape the city that I grew up
00:11:15 --> 00:11:16: in.
00:11:17 --> 00:11:20: Being able to work in West London most recently was
00:11:20 --> 00:11:24: obviously quite exciting for me because, you know, I grew
00:11:24 --> 00:11:27: up driving past the the site that I've been working
00:11:27 --> 00:11:29: on, which is always, always.
00:11:29 --> 00:11:31: Yeah, kudos to you for working on these.
00:11:31 --> 00:11:34: I mean, 2022 Bishopsgate is no joke.
00:11:34 --> 00:11:34: No.
00:11:34 --> 00:11:35: Wow.
00:11:36 --> 00:11:36: No, it's a big one.
00:11:37 --> 00:11:38: It's a big one.
00:11:38 --> 00:11:41: Yeah, all the amenities and everything on offer there.
00:11:41 --> 00:11:44: It's well, we, I mean I say we, I can't
00:11:44 --> 00:11:48: take credit for it, but the decision was made to
00:11:48 --> 00:11:52: carve out about 100,000 square feet of NIA to give
00:11:52 --> 00:11:57: over to amenity space, which I guess is, you know,
00:11:57 --> 00:11:58: now is normal.
00:11:58 --> 00:12:02: You wouldn't build a large office building now without
amenitizing
00:12:02 --> 00:12:07: it because, you know, tenant well-being, employee well-
being, the flight
00:12:07 --> 00:12:10: to quality both for tenants but equally for businesses trying
00:12:10 --> 00:12:12: to attract the best talent.
00:12:12 --> 00:12:14: It is now seems obvious to us, but you know,
00:12:14 --> 00:12:17: 8-9 years ago wasn't actually as obvious.
00:12:17 --> 00:12:20: So we did that and we worked very hard to,
00:12:20 --> 00:12:25: to have some financial value attributed to spaces that on
00:12:25 --> 00:12:29: the face of it don't necessarily have a value.
00:12:32 --> 00:12:35: And I think the result was a was a pretty
00:12:35 --> 00:12:36: cool building.
00:12:38 --> 00:12:41: So that's, that's always nice to be invited when you,
00:12:41 --> 00:12:45: when you're invited to a, you know, a conference or
00:12:45 --> 00:12:48: drinks event at the top of 22, it's always quite
00:12:48 --> 00:12:50: a, a rewarding feeling to be back.
00:12:51 --> 00:12:51: There indeed.
00:12:51 --> 00:12:55: Now I'm just thinking, you mentioned spaces and value that
00:12:55 --> 00:12:58: can be attached to them, probably a decent Segway into
00:12:58 --> 00:12:59: Drum, London.

00:12:59 --> 00:13:01: So why don't you tell us a little bit about
00:13:01 --> 00:13:04: this venture, which I think you started with your wife,
00:13:04 --> 00:13:06: as you mentioned, Theodora Beckett.
00:13:06 --> 00:13:08: What's the concept?
00:13:08 --> 00:13:09: How did you think of it?
00:13:09 --> 00:13:11: You know, so what's the impetus?
00:13:12 --> 00:13:14: And yeah, just tell us all about it.
00:13:14 --> 00:13:14: Sure.
00:13:15 --> 00:13:24: So we started thinking about drum, I guess, back in
00:13:24 --> 00:13:25: 2019.
00:13:26 --> 00:13:28: So we just come back from some time abroad.
00:13:28 --> 00:13:31: It gave us, I guess, some space away from the
00:13:31 --> 00:13:32: rat race.
00:13:32 --> 00:13:37: I'd left Lipton, Rodgers, Theo had left what she was
00:13:37 --> 00:13:37: doing.
00:13:37 --> 00:13:41: And it also completed, you know, gone back and completed
00:13:41 --> 00:13:44: in her in her late 20s, a degree in, so
00:13:44 --> 00:13:46: you call it sustainable urbanism.
00:13:46 --> 00:13:50: It's called sustainable cities, but essentially sustainable
Urban Development.
00:13:52 --> 00:13:55: We quite like the idea of doing something on a
00:13:55 --> 00:13:58: more human scale to, to large scale development things
where
00:13:58 --> 00:14:02: you could, you know, schemes where you could walk around
00:14:02 --> 00:14:06: and really know each corner of the, the asset intimately.
00:14:08 --> 00:14:11: We like the idea of doing something in the residential
00:14:11 --> 00:14:14: space and, and something towards the social end of the
00:14:14 --> 00:14:15: residential sphere.
00:14:20 --> 00:14:22: I don't, I don't know exactly.
00:14:22 --> 00:14:25: I mean, I don't know exactly what led us to
00:14:25 --> 00:14:28: land on the idea that we landed on, but it
00:14:28 --> 00:14:30: was, it was Theo's.
00:14:30 --> 00:14:34: Theo came forward with the business plan that ended up
00:14:34 --> 00:14:34: being Drum.
00:14:37 --> 00:14:40: I won't pretend to recall the exact conversation, but we
00:14:40 --> 00:14:44: centered on homelessness as obviously a very serious issue
in
00:14:44 --> 00:14:47: the UK, but you know, more specifically in London within
00:14:47 --> 00:14:51: the homelessness sphere, it became apparent to us that, you
00:14:51 --> 00:14:54: know, the biggest problem is arguably not the homelessness.
00:14:54 --> 00:14:56: You see, it's not rough sleepers on the street.
00:14:56 --> 00:14:58: That is obviously a problem.
00:14:59 --> 00:15:03: But the biggest problem in the homelessness sphere is, is

00:15:03 --> 00:15:05: in the temporary accommodation sector.

00:15:05 --> 00:15:10: So temporary accommodation is where families or individuals that present

00:15:10 --> 00:15:15: to their local authority as being statutory homeless are placed

00:15:15 --> 00:15:19: temporarily in quote marks whilst they either get their lives

00:15:19 --> 00:15:22: back to a place where they can move back into

00:15:22 --> 00:15:26: the private sector where the majority of them will have

00:15:26 --> 00:15:30: come from, or in social housing, which you know, as

00:15:30 --> 00:15:32: we know can be a pipe dream.

00:15:32 --> 00:15:34: You can wait, you know, a decade as a family

00:15:34 --> 00:15:36: for, for social housing.

00:15:36 --> 00:15:40: So the majority of people that end up in temporary

00:15:40 --> 00:15:44: accommodation have lost a private sector tenancy.

00:15:44 --> 00:15:48: So they've been evicted from from by a private landlord.

00:15:49 --> 00:15:54: And it's a really strange and actually quite disturbing space

00:15:54 --> 00:16:00: within the residential market because it's not social housing, it's

00:16:00 --> 00:16:05: not quite private housing, it's not regulated as social housing

00:16:05 --> 00:16:06: would be.

00:16:07 --> 00:16:13: So the majority of local authorities quotas for temporary

00:16:13 --> 00:16:16: accommodation

00:16:16 --> 00:16:17: or TA as it's referred to, is filled by private

00:16:17 --> 00:16:19: landlords.

00:16:17 --> 00:16:19: So you and me, we might own a flat.

00:16:20 --> 00:16:24: We can turn up at, you know, the proverbial town

00:16:24 --> 00:16:26: hall and say hello, Mr.

00:16:26 --> 00:16:29: Local Authority, I would like to lease you my flat

00:16:29 --> 00:16:33: for two years so that you can house your homeless

00:16:33 --> 00:16:34: population, right?

00:16:34 --> 00:16:36: And the local authority will jump on it and they'll

00:16:36 --> 00:16:38: pay you, you know, almost whatever you ask them to

00:16:38 --> 00:16:38: pay.

00:16:40 --> 00:16:42: So in addition to what's often, you know, market rent,

00:16:42 --> 00:16:46: private landlords will often ask local authorities for incentive

00:16:46 --> 00:16:48: payments

00:16:46 --> 00:16:48: because they'll say, listen, I could lease this flat to

00:16:48 --> 00:16:51: this nice young professional couple or I can lease it

00:16:51 --> 00:16:52: to you so you can house a homeless family.

00:16:53 --> 00:16:55: If I'm going to do the latter, you need to

00:16:55 --> 00:16:58: give me, you know, 2 grand, 3 grand, whatever it

00:16:58 --> 00:17:00: is to secure A2 year ASD.

00:17:00 --> 00:17:05: So what you have is hundreds, thousands actually, of profiteering

00:17:06 --> 00:17:10: private landlords kind of this is I guess, the worst
00:17:10 --> 00:17:15: end of capitalism who who are offering up their properties
00:17:15 --> 00:17:21: to desperate local authorities to house homeless families and
individuals
00:17:21 --> 00:17:25: in conditions that you often wouldn't wish upon your worst
00:17:25 --> 00:17:26: enemy.
00:17:27 --> 00:17:33: So you know, damp, mould, rodents, overcrowding, you
know, you
00:17:33 --> 00:17:38: name it, it exists in the temporary accommodation sphere.
00:17:39 --> 00:17:42: It's probably the closest thing you know, that we have
00:17:42 --> 00:17:44: to to slum housing still.
00:17:46 --> 00:17:50: So we set out to address 2 fundamental problems within
00:17:50 --> 00:17:51: the TA sector.
00:17:51 --> 00:17:56: The first was, you know, local authority budgets being
ravaged
00:17:56 --> 00:17:58: by having to pay over the odds for very poor
00:17:59 --> 00:17:59: accommodation.
00:18:01 --> 00:18:05: So, you know, on an annual basis, local authorities across
00:18:05 --> 00:18:09: England spend well in excess of a billion pounds and
00:18:09 --> 00:18:12: that's a deficit on on temporary accommodation.
00:18:15 --> 00:18:19: And the second problem was, was the, you know, the
00:18:19 --> 00:18:23: direct social impact of people that are already in a
00:18:23 --> 00:18:28: very vulnerable position, being housed in substandard
conditions.
00:18:28 --> 00:18:32: So extremely poor physical and mental health outcomes.
00:18:33 --> 00:18:37: Absolutely no progress towards breaking the cycle of of
poverty
00:18:37 --> 00:18:39: or addressing any of the issues that may have led
00:18:39 --> 00:18:42: them to becoming homeless in the 1st place.
00:18:43 --> 00:18:51: And a kind of self self-serving system of profit, profit,
00:18:51 --> 00:18:53: profit for misery.
00:18:53 --> 00:18:53: Really.
00:18:55 --> 00:18:57: So our business model was quite simple.
00:18:57 --> 00:19:01: It was never meant to be a, a nonprofit or
00:19:01 --> 00:19:01: a charity.
00:19:01 --> 00:19:04: It was a, it was a development business designed to
00:19:04 --> 00:19:09: bring my development management skills together with
Theo's knowledge of
00:19:09 --> 00:19:10: the public sector and of people.
00:19:11 --> 00:19:16: I guess the business plan was to buy and refurbish
00:19:16 --> 00:19:23: existing assets to provide high quality temporary
accommodation.
00:19:23 --> 00:19:26: So a specification similar to, you know, a social rented
00:19:26 --> 00:19:30: specification in the in the affordable housing sector to provide

00:19:30 --> 00:19:35: high quality temporary accommodation to be leased to local authorities

00:19:35 --> 00:19:39: and or housing associations on medium to long term inflation

00:19:39 --> 00:19:40: linked leases.

00:19:41 --> 00:19:45: To assemble enough of these assets that you can wrap

00:19:45 --> 00:19:50: up a nice institutionally sized portfolio of, you know, 8090,

00:19:51 --> 00:19:54: a ??100 million plus and to sell it onwards to

00:19:54 --> 00:19:58: a long income fund at as lower cap rate as

00:19:58 --> 00:19:59: possible.

00:20:00 --> 00:20:02: And for us to, you know, take development management fees

00:20:02 --> 00:20:03: throughout these projects.

00:20:03 --> 00:20:06: And you know, when our funding partner or funding partners

00:20:06 --> 00:20:09: exit to have a have a promote or a profit

00:20:09 --> 00:20:10: share on the back end.

00:20:11 --> 00:20:14: So that was the, that was the dream, that was

00:20:14 --> 00:20:15: the plan.

00:20:15 --> 00:20:19: It turns out working with local authorities is is.

00:20:20 --> 00:20:22: Are challenging at the best of times.

00:20:22 --> 00:20:24: It's extremely resource heavy.

00:20:24 --> 00:20:27: And I don't think we were prepared for the time

00:20:27 --> 00:20:31: and effort and the pain and the constant slaps and

00:20:31 --> 00:20:34: punches of trying to agree, you know, because you're not

00:20:34 --> 00:20:37: even turning up most of the time to a local

00:20:37 --> 00:20:41: authority and saying here's an asset, it's been refurbished.

00:20:41 --> 00:20:43: Would you like to take, you know, a 15 or

00:20:43 --> 00:20:44: a 20?

00:20:44 --> 00:20:47: At least you're going in theory, if we had an

00:20:47 --> 00:20:50: asset that looked like this that you wanted to use

00:20:50 --> 00:20:54: to cut your temporary accommodation spending by X over

00:20:54 --> 00:20:56: this

00:20:54 --> 00:20:56: many years, would you?

00:20:56 --> 00:21:00: And they're going, no, you know, they're just not programmed

00:21:00 --> 00:21:02: to entertain hypotheticals.

00:21:05 --> 00:21:09: So that was the, that was the original business plan.

00:21:09 --> 00:21:14: We started working in actually right before COVID.

00:21:14 --> 00:21:17: I mean, we had a complete shutdown for almost nine

00:21:18 --> 00:21:21: months from March 2020 because nobody wanted to look at

00:21:21 --> 00:21:24: anything, I guess they, they deemed to be too interesting

00:21:24 --> 00:21:25: at that time.

00:21:25 --> 00:21:28: They wanted to take stock of their, their existing investments

00:21:28 --> 00:21:30: and make sure everything was in order.

00:21:30 --> 00:21:35: But we started working with the UKA well known UK

00:21:35 --> 00:21:41: fund manager, they're AB Corp, They're very aligned with our
00:21:41 --> 00:21:43: own values.
00:21:43 --> 00:21:45: It was a, it was a really good match.
00:21:46 --> 00:21:50: And we started bidding on sites, I guess throughout 2021
00:21:51 --> 00:21:54: and 2022 with the idea of so these are kind
00:21:54 --> 00:21:58: of in the, in the 5 to 20,000,000 LB region.
00:21:59 --> 00:22:02: So I guess what you would call, you know, speaking
00:22:02 --> 00:22:05: to to an audience that might have exposure to to
00:22:05 --> 00:22:06: much larger sites.
00:22:07 --> 00:22:10: And I guess what you would call the kind of
00:22:10 --> 00:22:14: lower end of the of the land market, which again
00:22:14 --> 00:22:19: is a strange space because you know, you've got
professionally
00:22:19 --> 00:22:24: run, you know, investment managers, funds, developers
operating in that
00:22:24 --> 00:22:25: space.
00:22:25 --> 00:22:30: You've got smaller family offices operating in that space.
00:22:30 --> 00:22:35: You've got sometimes, you know, individual investors and
developers at
00:22:35 --> 00:22:38: the really much lower end operating in this.
00:22:38 --> 00:22:40: So everyone kind of plays in this, this 5 to
00:22:40 --> 00:22:45: 20, especially between 5:00 and 10:00 and it's really
competitive.
00:22:45 --> 00:22:48: And our business model I, I mentioned that, you know,
00:22:48 --> 00:22:51: one of the, our first priorities, maybe I didn't mention
00:22:51 --> 00:22:54: one of our priorities was really trying to erode some
00:22:54 --> 00:22:58: of the budget deficits the local authorities were being
exposed
00:22:58 --> 00:23:01: to through essentially profiteering private landlords.
00:23:02 --> 00:23:04: And we did that through a commitment to fixing our
00:23:04 --> 00:23:06: rent at local housing allowance.
00:23:06 --> 00:23:10: So local housing allowance is the housing benefit that you're
00:23:10 --> 00:23:13: entitled to in the private sector, right, to help you
00:23:13 --> 00:23:13: pay your rent.
00:23:16 --> 00:23:19: In theory, if if the tenant is entitled to their
00:23:19 --> 00:23:24: local housing allowance from government and the local
authority is
00:23:24 --> 00:23:29: only being charged that local housing allowance by the
landlord.
00:23:29 --> 00:23:32: In theory, I say in theory because there's always other
00:23:32 --> 00:23:32: costs.
00:23:32 --> 00:23:35: But in theory there should be no deficit, right?
00:23:35 --> 00:23:40: Everything should be even now that meant that we relied
00:23:40 --> 00:23:43: heavily on our exit yield assumption.

00:23:43 --> 00:23:45: So on every site we looked at, we knew that
00:23:45 --> 00:23:48: our rental assumptions were going to be much, much lower
00:23:48 --> 00:23:50: than, you know, the people that were bidding against us.
00:23:50 --> 00:23:53: You know, they're all private residential developers for the most
00:23:53 --> 00:23:54: part, assuming market rent.
00:23:55 --> 00:23:58: And that was a tricky, I guess that was a
00:23:58 --> 00:24:01: tricky business model to make work because at each hurdle
00:24:01 --> 00:24:05: we had to really, really push and convince whichever funding
00:24:05 --> 00:24:07: partner we were working with at the time.
00:24:07 --> 00:24:11: Because it wasn't always necessarily the one I mentioned
00:24:11 --> 00:24:14: that
00:24:14 --> 00:24:16: we will be able to exit at, you know, whatever
00:24:16 --> 00:24:18: it was at the time, you know, 4 1/2 percent,
00:24:17 --> 00:24:18: 4 1/2 percent, say.
00:24:19 --> 00:24:21: And if you couldn't make that assumption at the back
00:24:21 --> 00:24:22: end, then you couldn't make it work at the front
00:24:22 --> 00:24:23: end, right?
00:24:23 --> 00:24:25: Because you know, we, you know, we have a fixed,
00:24:26 --> 00:24:28: we have fixed rent, local housing and you have a
00:24:28 --> 00:24:31: lot of other variables that might not be fixed like,
00:24:31 --> 00:24:32: you know, costs.
00:24:35 --> 00:24:38: So we set about busily, you know, bidding on everything
00:24:39 --> 00:24:41: we could we could find in that market.
00:24:41 --> 00:24:45: Focusing on London because the biggest problems
00:24:45 --> 00:24:49: associated with homelessness,
00:24:45 --> 00:24:49: statutory homelessness and temporary accommodation are
00:24:45 --> 00:24:49: in London.
00:24:52 --> 00:24:55: So, you know, of the circa 350,000 statutory homeless in
00:24:55 --> 00:24:59: this country, more than half of them are in London.
00:25:00 --> 00:25:04: This might not still be the case so don't Fact
00:25:04 --> 00:25:08: Check me on this, but you know, certainly a year
00:25:09 --> 00:25:14: ago all 10 of the biggest spenders on temporary
00:25:14 --> 00:25:18: accommodation
00:25:14 --> 00:25:18: were London boroughs, which makes sense.
00:25:18 --> 00:25:20: We live in a, in a, in a city with
00:25:21 --> 00:25:24: very, a very high cost of living, very high rents
00:25:24 --> 00:25:29: and housing benefit that frankly, in most places isn't, isn't
00:25:29 --> 00:25:33: high enough to really help people the way it should
00:25:33 --> 00:25:35: to pay those rents.
00:25:36 --> 00:25:39: So in mid 2022 we got our first offer accepted,
00:25:39 --> 00:25:43: which was by the way cut, cut through me if
00:25:43 --> 00:25:46: you, if you want clarification or anything.

00:25:46 --> 00:25:51: But mid 2022 we had an offer accepted, 88 ish,
00:25:51 --> 00:25:57: ??1,000,000 offer accepted on a site in the Borough of
00:25:57 --> 00:25:58: Southwark.
00:25:59 --> 00:26:04: So in, in Bermondsey, which was amazing, really amazing.
00:26:04 --> 00:26:06: So we beat off competition from three others.
00:26:07 --> 00:26:09: By this point, you know, we'd really fine-tuned the business
00:26:09 --> 00:26:09: model.
00:26:09 --> 00:26:12: We, we fine-tuned the, you know, exactly what we needed
00:26:13 --> 00:26:15: to do on the refurb of certain types of assets.
00:26:16 --> 00:26:21: We'd, we had started to develop a relationship with
Southwark
00:26:21 --> 00:26:26: Council who we wanted to be the ultimate leaseholder and
00:26:26 --> 00:26:29: then, well, and then Liz Trust came to power.
00:26:30 --> 00:26:34: So, so we'd obviously already been in an environment where,
00:26:34 --> 00:26:39: where construction costs had been increasing for some time.
00:26:39 --> 00:26:43: So that was harming us because local housing allowance
remained
00:26:43 --> 00:26:44: where it had been.
00:26:45 --> 00:26:48: This goes back to having fixed value but not fixed
00:26:48 --> 00:26:48: costs.
00:26:49 --> 00:26:54: And I think, I think we had that site under
00:26:54 --> 00:26:58: offer at the end of August and we agreed 8
00:26:58 --> 00:27:02: weeks to exchange with the vendor.
00:27:03 --> 00:27:07: And I think within the first five weeks of that
00:27:07 --> 00:27:08: eight week.
00:27:09 --> 00:27:12: Our cost of debt has almost tripled.
00:27:15 --> 00:27:18: And of course, every time we went back and refreshed
00:27:18 --> 00:27:20: the cost plan, the cost had gone up slightly.
00:27:21 --> 00:27:24: I mean, literally every time we spoke to the debt
00:27:24 --> 00:27:26: market, our cost of borrowing had gone up.
00:27:28 --> 00:27:33: So we ended up having to chip the price as
00:27:33 --> 00:27:34: you do.
00:27:35 --> 00:27:38: Then we ended up having to chip it again as
00:27:38 --> 00:27:39: you do.
00:27:39 --> 00:27:43: So we were having to be constantly reactive and eventually
00:27:43 --> 00:27:47: the vendor walked away because, well, I would have done
00:27:47 --> 00:27:47: the same thing.
00:27:48 --> 00:27:49: I imagine they were probably underwater by that point.
00:27:50 --> 00:27:54: So the vendor walked away and this so this has
00:27:54 --> 00:27:57: ended up being a blessing for us in a for
00:27:57 --> 00:27:59: a few reasons, actually.
00:27:59 --> 00:28:03: So since that time, the kind of instant and you
00:28:03 --> 00:28:07: know, we had a quick conversation about this before, but

00:28:08 --> 00:28:12: this, you know, the kind of institutional bellwether for this
00:28:12 --> 00:28:14: sector has been Homereet.
00:28:16 --> 00:28:22: So you know, they've deployed hundreds of millions of
pounds
00:28:22 --> 00:28:26: into into supported accommodation.
00:28:26 --> 00:28:29: Often, you know, temporary accommodation of a supported
nature.
00:28:31 --> 00:28:34: And that and that was actually quite, that was actually
00:28:34 --> 00:28:35: quite good for us.
00:28:35 --> 00:28:38: It was quite good for us in conversations with funding
00:28:38 --> 00:28:41: partners because prior to this nobody really knew what kind
00:28:41 --> 00:28:45: of housing, homeless families or homeless individuals were
put in.
00:28:45 --> 00:28:50: Nobody really knew what, you know, transitional supported
accommodation was.
00:28:50 --> 00:28:52: Nobody really paid any attention, which is part of the
00:28:52 --> 00:28:53: problem.
00:28:54 --> 00:28:56: I mean, that might not be fair in the mainstream
00:28:56 --> 00:28:58: real estate industry.
00:28:58 --> 00:29:00: I don't think people have paid as much attention as
00:29:00 --> 00:29:01: they should have done.
00:29:04 --> 00:29:07: And obviously in the last, you know, 5 or 6
00:29:07 --> 00:29:12: months since the Viceroy short seller attack, they've, they've
obviously
00:29:12 --> 00:29:17: had some, some, some quite serious issues come to light.
00:29:19 --> 00:29:23: We had been toying with the idea of, because it's
00:29:23 --> 00:29:26: so much easier to get through to them, but with,
00:29:26 --> 00:29:30: with leasing our buildings instead of going to the local
00:29:30 --> 00:29:35: authority, placing our buildings to one of these supported
housing
00:29:35 --> 00:29:40: providers, which are mostly, you know, they're not housing
associations
00:29:40 --> 00:29:44: that most of them are CI, CS community interest companies.
00:29:47 --> 00:29:49: So, so the covenant is, is certainly not as strong
00:29:49 --> 00:29:52: as as a, you know, good old fashioned housing association
00:29:52 --> 00:29:55: of the local authority, but you can pick up the
00:29:55 --> 00:29:57: phone and speak directly to the CEO.
00:29:57 --> 00:30:01: You know, they'll send you example leases, they'll send you
00:30:01 --> 00:30:04: letters of intent, they'll send you, you know, whatever you
00:30:04 --> 00:30:08: want them to send that they're really open, they're really
00:30:08 --> 00:30:09: hungry for more stock.
00:30:11 --> 00:30:15: And you know, for the most part they'll sign up
00:30:15 --> 00:30:19: to, you know, long term inflation linked Fri leases.

00:30:20 --> 00:30:24: So in our attempt to be flexible and malleable and
00:30:24 --> 00:30:27: kind of bend and mend the business plan as we
00:30:27 --> 00:30:31: went on, we'd, you know, developed relationships with a lot
00:30:31 --> 00:30:34: of the Cic's that you now see, I guess coming
00:30:34 --> 00:30:35: up against home reap.
00:30:36 --> 00:30:42: And I guess I'm, I'm grateful for the fact that
00:30:42 --> 00:30:47: we're not tied into any of that right now.
00:30:49 --> 00:30:52: Listen, I think what's happened in the last few years
00:30:52 --> 00:30:55: is, is the private sector has stepped in to provide
00:30:55 --> 00:30:59: social support services for homeless households and
homeless individuals where
00:30:59 --> 00:31:01: local authorities have not been able to do so.
00:31:02 --> 00:31:04: And in theory, that's a really good thing.
00:31:05 --> 00:31:08: In practice, a lot of them have, you know, they've
00:31:08 --> 00:31:11: only been around for three, 4-5 years.
00:31:11 --> 00:31:13: They've scaled really, really quickly.
00:31:13 --> 00:31:17: And the rate at which they've scaled has made it
00:31:17 --> 00:31:20: impossible, I think, for a lot of them to provide,
00:31:20 --> 00:31:25: despite the best of intentions, provide the services to their
00:31:25 --> 00:31:29: tenants that they should be providing and the services for
00:31:29 --> 00:31:33: which they are being paid by local authorities to provide.
00:31:34 --> 00:31:38: So that has in many places added to the issues
00:31:38 --> 00:31:41: in the temporary accommodation sector.
00:31:43 --> 00:31:46: I think naturally, where the state is not able to
00:31:46 --> 00:31:49: do so, the private sector will fill the gap.
00:31:49 --> 00:31:51: And that's exactly what's happened here.
00:31:52 --> 00:31:56: I hope, I hope that, you know, Home REIT can
00:31:56 --> 00:32:00: continue in some capacity and I hope that they can
00:32:00 --> 00:32:05: be successful because I think what's really happened is
suddenly
00:32:06 --> 00:32:09: lots of people have jumped into this sector.
00:32:10 --> 00:32:12: There's been a lot of movement and I guess a
00:32:12 --> 00:32:14: lot of kind of infighting now between home reach in
00:32:14 --> 00:32:17: attendance when they should be working together for a
common
00:32:17 --> 00:32:17: good.
00:32:18 --> 00:32:20: And I hope something positive can come out of that.
00:32:20 --> 00:32:23: And I hope the government will wake up and actually
00:32:24 --> 00:32:26: start to impose regulation on this sector.
00:32:27 --> 00:32:29: And I know, you know, we speak to crisis a
00:32:29 --> 00:32:29: lot.
00:32:29 --> 00:32:33: I know they're really pushing for that because it's mad,
00:32:33 --> 00:32:33: right?

00:32:33 --> 00:32:37: It's mad to have a corner of our housing industry
00:32:37 --> 00:32:42: where we're housing the most vulnerable people completely unregulated.
00:32:43 --> 00:32:45: That's insanity.
00:32:46 --> 00:32:50: William, you're talking about something extremely serious.
00:32:50 --> 00:32:50: Yeah.
00:32:50 --> 00:32:53: But so where has this now left your business?
00:32:53 --> 00:32:54: Yeah.
00:32:54 --> 00:32:57: So, so I guess the big thing that's happened in
00:32:57 --> 00:33:00: our life is obviously our daughter was born.
00:33:00 --> 00:33:05: So Theo's on maternity leave, which I guess has come
00:33:05 --> 00:33:08: a good time because we were so excited.
00:33:08 --> 00:33:11: I mean, it was a really, it was really an
00:33:12 --> 00:33:16: amazing feeling to get the business finally to a place
00:33:16 --> 00:33:19: where we had where it looked like, you know, we
00:33:19 --> 00:33:23: were, we were certain to to close our first deal.
00:33:25 --> 00:33:26: That was really rewarding.
00:33:26 --> 00:33:29: It would have, you know, paid us well over the
00:33:29 --> 00:33:30: next year or so.
00:33:30 --> 00:33:33: It would have given us the platform to go out,
00:33:33 --> 00:33:37: work with, you know, different partners, pick up more sites,
00:33:37 --> 00:33:40: expand, get better at what we were trying to do
00:33:40 --> 00:33:44: and to really have an impact in the sector that
00:33:44 --> 00:33:48: actually needs some some professionalism injected into it.
00:33:51 --> 00:33:54: But a few things have happened on, I guess a,
00:33:54 --> 00:33:58: you know, a macro scale since then have led to
00:33:58 --> 00:34:03: us quite happily sitting most licking our wounds and thinking
00:34:03 --> 00:34:07: about how to re I guess, repackage our business plan
00:34:07 --> 00:34:09: in a way that is viable.
00:34:09 --> 00:34:12: Because so as I said, our rents are benchmarked on
00:34:12 --> 00:34:17: local housing allowance, which is, which is housing benefit.
00:34:18 --> 00:34:22: Housing benefit is in theory, meant to rise in line
00:34:23 --> 00:34:24: with inflation, right?
00:34:24 --> 00:34:27: So that as life gets more expensive, as rent gets
00:34:27 --> 00:34:31: more expensive, people's ability to pay that rent and their
00:34:31 --> 00:34:34: ability to maintain their tenancies in the private sector is
00:34:34 --> 00:34:35: not compromised.
00:34:37 --> 00:34:39: Now, that has not happened.
00:34:40 --> 00:34:44: In fact, the government relentlessly freezes local housing
allowance and
00:34:44 --> 00:34:47: this financial year will be no different.
00:34:49 --> 00:34:53: So we had been expecting, especially with inflation having
been

00:34:53 --> 00:34:57: as rampant as it was and especially with rents having
00:34:57 --> 00:35:01: gone up as much as they have, we were expecting
00:35:01 --> 00:35:05: local housing allowance to be increased by the government.
00:35:06 --> 00:35:08: And the announcement came at the end of January that
00:35:08 --> 00:35:10: they would not be increasing local housing allowance.
00:35:11 --> 00:35:15: So that means we've been faced with, you know, a
00:35:16 --> 00:35:19: 20 to 30% increase in build costs.
00:35:20 --> 00:35:23: Our debt costs are much, much, much higher than they've
00:35:23 --> 00:35:27: ever been since, you know, actually since they've been in
00:35:27 --> 00:35:30: the entire time I've been in the real estate industry.
00:35:32 --> 00:35:35: But our rental level has stayed the same.
00:35:36 --> 00:35:39: And you know, at the same time, it's now almost
00:35:39 --> 00:35:42: impossible to argue for the, the cap rate or the
00:35:42 --> 00:35:45: yields that we were arguing for because, you know, you
00:35:45 --> 00:35:48: can buy, you can buy 10 year government bonds right
00:35:48 --> 00:35:49: now at 3.3%.
00:35:49 --> 00:35:52: So you're not going to buy a, an asset with
00:35:52 --> 00:35:54: a, you know, 20 year lease to a housing association
00:35:54 --> 00:35:55: at 3 1/2.
00:35:56 --> 00:36:00: So, you know, our yields have gone out by, I
00:36:00 --> 00:36:04: don't know how much, you know, 5075.
00:36:05 --> 00:36:07: Some people might argue 100 basis points.
00:36:08 --> 00:36:11: Our rent has stayed the same, borrowing costs have gone
00:36:11 --> 00:36:12: up, build costs have gone up.
00:36:12 --> 00:36:15: You can see how this starts to become an unviable
00:36:15 --> 00:36:16: business plan extremely quickly.
00:36:17 --> 00:36:21: And you know, there's a lot of things that we
00:36:21 --> 00:36:23: have to do in this.
00:36:25 --> 00:36:28: You know, it's not just going out trying to find
00:36:28 --> 00:36:32: opportunities, trying to pull in funding partners, trying to put
00:36:33 --> 00:36:34: all of that together.
00:36:34 --> 00:36:38: It's also, you know, speaking to charities to make sure
00:36:38 --> 00:36:42: that we are taking the right approach in how we
00:36:42 --> 00:36:43: specify the buildings.
00:36:44 --> 00:36:48: It's also trying to develop relationships with local authorities
and
00:36:48 --> 00:36:49: housing associations.
00:36:49 --> 00:36:51: And, you know, for a time we were doing the
00:36:51 --> 00:36:52: same with CIC's.
00:36:52 --> 00:36:55: And it's really, really time consuming.
00:36:55 --> 00:36:58: It can be frankly, quite a thankless task when you
00:36:58 --> 00:37:01: feel like you're just banging your head against the brick

00:37:01 --> 00:37:01: wall.

00:37:04 --> 00:37:06: I think you'll find, I mean, a lot of people

00:37:06 --> 00:37:10: that probably operate in this more social end of the

00:37:10 --> 00:37:13: sphere will find this, that ideas that should and can

00:37:13 --> 00:37:15: have a really, really positive impact.

00:37:16 --> 00:37:19: You often find people just, it's just too lazy to

00:37:19 --> 00:37:22: try and work with you to make them happen.

00:37:22 --> 00:37:22: To be honest with you.

00:37:23 --> 00:37:25: That's quite, that's probably I just brought it back to

00:37:26 --> 00:37:28: something depressing again, But that's, that is the that is

00:37:28 --> 00:37:29: the reality of it, to be honest.

00:37:30 --> 00:37:32: So we're now thinking about where we go next.

00:37:34 --> 00:37:37: We're committed to trying and you know, try and continue

00:37:37 --> 00:37:39: do something in the in the homelessness sphere.

00:37:41 --> 00:37:43: But right now the business plan that we had, it

00:37:44 --> 00:37:45: just doesn't work.

00:37:45 --> 00:37:48: It's impossible to make it work unless you compromise on

00:37:48 --> 00:37:50: some of the values that you had initially said you

00:37:50 --> 00:37:53: weren't going to compromise on, which we're not prepared to

00:37:53 --> 00:37:53: do.

00:37:55 --> 00:37:58: Yeah, Oh my God, it's, it's so frustrating listening to

00:37:58 --> 00:38:02: this because of course, meanwhile you've got people,

00:38:02 --> 00:38:05: families that

00:38:02 --> 00:38:05: are still in the temporary accommodation that you have

00:38:06 --> 00:38:06: described.

00:38:06 --> 00:38:06: Absolutely.

00:38:07 --> 00:38:07: Yeah.

00:38:07 --> 00:38:08: 10s of thousands of them.

00:38:08 --> 00:38:11: Yeah, so have you.

00:38:11 --> 00:38:13: By the way, one other question just just occurred a

00:38:13 --> 00:38:14: minute.

00:38:14 --> 00:38:15: Actually, questions occurred to me.

00:38:15 --> 00:38:19: But just conscious of time, have you had a chance

00:38:19 --> 00:38:22: to look at what happens in other countries?

00:38:22 --> 00:38:24: Let's say, let's just keep it to Europe for the

00:38:24 --> 00:38:25: moment.

00:38:25 --> 00:38:28: Is there 1 country that has a system that is

00:38:28 --> 00:38:31: actually working for the people and for investors at the

00:38:32 --> 00:38:32: same time?

00:38:33 --> 00:38:34: It's a good question.

00:38:34 --> 00:38:37: I can't pretend to know the answer to that.

00:38:37 --> 00:38:40: But I do know that, you know, there are especially

00:38:40 --> 00:38:44: Northern European countries that have tried to adopt A kind
00:38:44 --> 00:38:46: of housing first principle, right?
00:38:46 --> 00:38:48: Which is so as soon as, you know, as soon
00:38:48 --> 00:38:50: as you are in need of a home, you're housed
00:38:50 --> 00:38:51: in social housing.
00:38:53 --> 00:38:57: But you know, we haven't got anywhere near enough private
00:38:57 --> 00:38:58: or social housing.
00:38:58 --> 00:38:59: That's our issue, right?
00:38:59 --> 00:39:03: So that's an impossible, you know, it's all very well
00:39:03 --> 00:39:06: to say, you know, to advocate for housing first in
00:39:06 --> 00:39:09: this country, but I mean, to me, it's it's not,
00:39:09 --> 00:39:11: it's not practical, it's not reality.
00:39:11 --> 00:39:15: So we haven't and we probably could do with looking
00:39:15 --> 00:39:19: at, you know, best practice in other countries.
00:39:21 --> 00:39:21: Yeah.
00:39:21 --> 00:39:24: And look, I'm not going to lie, I'm looking.
00:39:24 --> 00:39:25: I'm looking for a happy ending.
00:39:26 --> 00:39:27: I want that to happen, right?
00:39:27 --> 00:39:28: Yeah.
00:39:29 --> 00:39:29: Yeah, there's not.
00:39:29 --> 00:39:31: I mean, I've got some, I don't know about happy
00:39:31 --> 00:39:34: ending, but there's some interesting lessons that we've
learned which
00:39:34 --> 00:39:36: I, which I feel could be useful to share in
00:39:36 --> 00:39:38: terms of trying to start small business.
00:39:38 --> 00:39:41: So we tried to start our business, which was our
00:39:41 --> 00:39:44: nice family business working together, which has actually
worked remarkably
00:39:44 --> 00:39:46: well working alongside your partner.
00:39:46 --> 00:39:51: It's actually, you know, we saved the bickering for outside
00:39:51 --> 00:39:54: of work which has which has been good lessons that
00:39:54 --> 00:39:55: we've learned.
00:39:55 --> 00:39:58: So we would have done a few things differently.
00:39:59 --> 00:40:02: We would have made sure that we had a financial
00:40:02 --> 00:40:05: runway when we started that allowed us to run 100%
00:40:05 --> 00:40:06: of this business.
00:40:06 --> 00:40:09: So I've already mentioned that a lot of the things
00:40:09 --> 00:40:13: within this are extremely time consuming, very frustrating and
you
00:40:13 --> 00:40:17: do really need, you know, to preferably more people devoting
00:40:17 --> 00:40:19: 100% of their time to this.
00:40:19 --> 00:40:21: But we didn't have that financial runway.
00:40:21 --> 00:40:23: You know, this was started almost as a kind of

00:40:23 --> 00:40:26: side venture, knowing that we both had to go out.
00:40:26 --> 00:40:28: And have an income that would allow us to pay
00:40:29 --> 00:40:31: the bills and almost allow us to do this right.
00:40:31 --> 00:40:34: So Theo was working as worked across a, a couple
00:40:34 --> 00:40:37: of different consultancies in that time.
00:40:38 --> 00:40:43: I've worked as a, you know, a freelancing development
manager.
00:40:43 --> 00:40:46: First Philip, you know, went back to Lipton Rodgers for
00:40:46 --> 00:40:48: a bit and then framed during that time.
00:40:49 --> 00:40:51: So we've both had a lot of other things going
00:40:51 --> 00:40:54: on which have made it impossible to give 100% of
00:40:54 --> 00:40:55: our time to drop.
00:40:56 --> 00:40:59: So things that took us a year could have taken
00:40:59 --> 00:41:00: US six months.
00:41:00 --> 00:41:03: Opportunities that we could have pounced on, we didn't.
00:41:04 --> 00:41:08: So I guess my advice to anyone thinking about starting
00:41:08 --> 00:41:12: their own business is try and give yourself the leeway,
00:41:12 --> 00:41:15: the runway, if at all possible, to, to be able
00:41:15 --> 00:41:18: to devote 100% of your time for that business for
00:41:18 --> 00:41:21: a good for a good period of time.
00:41:21 --> 00:41:23: Because that's the only way you'll really know if it's
00:41:23 --> 00:41:24: going to work or not.
00:41:24 --> 00:41:27: We found the other option, of course, is to go
00:41:27 --> 00:41:30: out and secure the backing of a business.
00:41:31 --> 00:41:34: You know, that will set you up with, with what
00:41:34 --> 00:41:36: you need to go out and do that, you know,
00:41:36 --> 00:41:38: pay your salary for a time and, you know, set
00:41:38 --> 00:41:39: you up in an office.
00:41:40 --> 00:41:43: But but I guess that's that was a lesson we
00:41:44 --> 00:41:48: learned and will be a lesson for whatever we to
00:41:48 --> 00:41:49: next for sure.
00:41:49 --> 00:41:50: Yeah, Listen to.
00:41:51 --> 00:41:54: I'm hoping, William, yeah, that there's a white knight out
00:41:54 --> 00:41:56: there that maybe listens to this.
00:41:56 --> 00:41:56: Yeah.
00:41:57 --> 00:41:58: And.
00:41:58 --> 00:41:59: Could send send them?
00:42:00 --> 00:42:01: Yeah, yeah.
00:42:01 --> 00:42:02: Oh my God.
00:42:02 --> 00:42:06: Because let's be frank, I think everybody listening to this
00:42:06 --> 00:42:09: desperately wants you and others like you to succeed.
00:42:09 --> 00:42:11: It is frustrating listening to your story.

00:42:11 --> 00:42:12: Yeah.

00:42:12 --> 00:42:15: I mean for us, you know, we've, we've had actually.

00:42:15 --> 00:42:18: So we were thinking about this, OK, our first deal

00:42:18 --> 00:42:20: fell out of bed a few months ago.

00:42:20 --> 00:42:23: That's terrible, really frustrating for us, right?

00:42:25 --> 00:42:28: Actually, we've had some really good exposure.

00:42:28 --> 00:42:30: You know, we've been invited to speak on lots of

00:42:30 --> 00:42:33: different panels by lots of different businesses, some of them

00:42:33 --> 00:42:34: not real estate businesses.

00:42:35 --> 00:42:38: We've been invited to participate and give our thoughts

00:42:38 --> 00:42:41: having

00:42:41 --> 00:42:44: spent, you know, a couple of years fully immersed in

00:42:44 --> 00:42:47: this on the problem by, you know, charities that are

00:42:47 --> 00:42:48: probably far better qualified than we are to apply on

00:42:49 --> 00:42:52: these things.

00:42:49 --> 00:42:52: We've been invited to do university lectures on the topic.

00:42:54 --> 00:42:56: So we've been, I guess, quite good advocates of a

00:42:56 --> 00:42:58: need for change in this sector.

00:42:58 --> 00:43:01: So at the very least, I hope this at least

00:43:01 --> 00:43:06: spreads the word bit about the issues facing homeless

00:43:06 --> 00:43:10: individuals

00:43:06 --> 00:43:10: and families having to live in in temporary accommodation.

00:43:12 --> 00:43:13: Yeah.

00:43:13 --> 00:43:14: And this is not a new issue.

00:43:14 --> 00:43:18: I mean, we found we found archive footage from the

00:43:18 --> 00:43:21: BBC going back to like the 70s where they were

00:43:21 --> 00:43:26: reporting on poor quality temporary accommodation in

00:43:27 --> 00:43:28: southeast London.

00:43:27 --> 00:43:28: Really some incredible footage.

00:43:29 --> 00:43:30: So this is not new.

00:43:30 --> 00:43:31: It's just kind of hidden.

00:43:32 --> 00:43:35: So I do hope there is a white knight swoops

00:43:35 --> 00:43:38: in on a on a stallion and and if they're

00:43:38 --> 00:43:42: not carrying us somewhere to to, you know, victory and

00:43:43 --> 00:43:47: change and doing doing so for someone else because it's

00:43:47 --> 00:43:50: it's a really it's a rewarding place to be.

00:43:50 --> 00:43:53: If you can make it work really is if you

00:43:53 --> 00:43:58: can make money in this industry, if you can make

00:43:58 --> 00:44:02: a good living and really have a profound impact on,

00:44:02 --> 00:44:07: on your own environment, on your own bill tomorrow.

00:44:07 --> 00:44:09: And that's, that's, you know, that's quite incredible.

00:44:10 --> 00:44:13: So for me to be able to have an impact

00:44:13 --> 00:44:16: on my home city, a tangible 1 would be would

00:44:16 --> 00:44:18: be the most rewarding thing possible.
00:44:20 --> 00:44:21: I don't think this is the end of the story.
00:44:22 --> 00:44:24: I think there will be a happy ending and I'm
00:44:24 --> 00:44:28: looking forward to hooking up with you again, basically to
00:44:28 --> 00:44:31: to listen to phase two of this because, you know,
00:44:31 --> 00:44:33: I think the world needs you and your, your, your
00:44:33 --> 00:44:36: wife and yourself can make good things happen.
00:44:36 --> 00:44:37: So thank you very much.
00:44:37 --> 00:44:39: Let's see what happens in the future.
00:44:39 --> 00:44:42: Thank you for being so candid with us and sharing
00:44:42 --> 00:44:43: your story to date.
00:44:44 --> 00:44:45: May we wish you the best.
00:44:45 --> 00:44:45: Thank you very much.
00:44:46 --> 00:44:47: I look forward to my tour of the East End.
00:44:48 --> 00:44:49: It's coming up.
00:44:49 --> 00:44:51: Thank you, William Polisano, thanks very much.

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