Mark Preston:

It's a constant topic of fascination, isn't it? For those of us in the real estate business. This long and short term distinction. I mean, what I'm about to say, I would say I, wouldn't I? But of course I believe it to be true, which is that as a long term owner in real estate, you really do have the ability to make significant impact socially as well as financially in a way that's very difficult to do with a shorter term view just because of the nature of real estate and the huge capital sums and time scales involved. Not to mention the environmental side, which we'll come onto, which necessarily requires a longer term view to be able to warrant the time and the effort and the capital invested when you know the rewards environmentally are only going to come after many years.

Matt Slepin:

Hi, this is Matt Slepin, and welcome to Leading Voices in Real Estate. Today's episode recorded on September 27th is a conversation with the CEO of Grosvenor, Mark Preston. Grosvenor is the 340 year old family office and commercial property business owned by the Grosvenor family, their young patriarch and chair, Hugh Grosvenor is the Duke of Westminster. This is a company that I've known well for the past 25 years as a long term client in my search practice. Mark and I had a fascinating discussion about the meaning and responsibility and indeed stewardship that ultra long term ownership brings to their approach to the real estate business.

Their website says that this is a 340 year old company, but it actually goes back further than that. And Mark's job is to do his best to do his part to make sure the business is running strong for another 340 years. These are actually almost unrelatable words to use in the real estate investment business where we so often think in terms of 3, 5, 7 year holds and unfortunately also in the political world where long term thinking has become an alien concept. So we talk a lot on the podcast about longtermism from Grosvenor's perspective, particularly around of course the issues and responsibilities around carbon and community benefits for property owners.

We talk about this all the time on Leading Voices, and I will use Mark's words and not my own. It's about being a responsible citizen. Over the long term, unless we have a positive impact in our communities and environment, we will not survive and we don't deserve to survive. One way or the other, we'd be thrown out and we deserve to be thrown out. It's no longer an option. Wow. Mark's words are a call to action if I ever heard one and coming from literally the longest tenured landlord and developer on the planet.

I checked in with my friend Gunnar Branson, who runs AFIRE, the International Real Estate Investment Association yesterday. When I told him about the conversation with Mark, he also said wow. But he also observed that Mark's perspective is actually mainstream in Europe where core investors are thinking much more long term about carbon equity and affordability than we are here in the States. So in keeping with the spirit of Leading Voices, I will look over the coming months to bring more international perspectives to these conversations. You know I love these interviews on Leading Voices and these are not dissimilar to conversations I get to have with my clients and candidates in my work as a recruiter at CRG. The big work that we do in the real estate industry and how we choose to do it is rarely neutral in terms of these environmental and societal impacts. And I love hearing these stories of leadership in this regards on Leading Voices and helping foster it in my day to day search business.

I hope that you're enjoying the show. As always, please share your favorite episodes with friends and colleagues. We've now archived conversations literally exploring every different facet nook and cranny of the real estate business in the built environment, which I hope you'll explore and share with others, especially young people trying to find their way into the business. If you have comments on the show, guest suggestions or just want to get in touch regarding the show or our search practice, please email me at mslepin@crgpartners. Again, mslepin@crgpartners.com. I hope you enjoy the conversation with Mark

Preston. And stay tuned at the end of the episode for some additional music associations with the Duke. So let's jump into it because we do not have a lot of time.

First of all, Mark Preston, welcome to Leading Voices in Real Estate. You're going to be the first true international guest and we're going to talk all about investing across the globe as well as a lot about stewardship and climate change. So I'm just thrilled to have you on the call. And you'll be the first guest on the show for a company, I think over 50 years old, let alone 340 years old. So even with Hines and Zelle and Boston Properties and some of these other companies, even Trammell Crow Company, nothing like you guys. So welcome to the show. And Mark, I'll let you introduce yourself and the Grosvenor family of companies I guess in your own words.

Mark Preston:

Thank you Matt for having me on. Honored to be your first whatever you just called me, your first truly international guest. That's great and nice to see you again after a while. So yes, my name is Mark Preston. I'm chief executive of Grosvenor and I also carry the rather strange title of executive trustee. When we come perhaps a bit later to talk about structure and ownership, I can explain that in greater detail. But for your listeners, essentially it's the same thing as being chief executive of both the property business that we call Grosvenor and also all of the other non-property activities that the family have within the portfolio.

Really the best simplest way of thinking about Grosvenor is in three different buckets. Firstly, the real estate bucket, the international urban property development investment company that most of your listeners will know of. Secondly, a food and ag investment business, which is only 12 years old and probably most of your listeners will not be aware of. We've begun to invest in early stage and venture investments in the food and ag tech space. And then thirdly what we call the family office. Many of your listeners might think the whole of Grosvenor is a family office, but in our definition the family office really is all those other activities. Our financial investments portfolio have a large equities, fixed income and alternatives portfolio as you might imagine.

And also the other activities, some of the non-business activities of the family. So the households, the rural estates, the sporting estates, the chapels, the archive, the fine art collection, and the foundation, the family's charitable foundation all run on that side of the organization. So those are the three branches, if you like, with the first one, the property business being much the largest share of the balance sheet projection and certainly much the largest share of the number of people working here. And so I look after all of that for the Grosvenor family.

Matt Slepin:

Got it. And it's typical for the family office and it's better for the family office to be separated from the operating company. They're different disciplines so that's not an atypical comment. It just takes a large family office to have much attention spent to it.

Mark Preston:

Yep, quite so.

Matt Slepin:

Since we're going to talk primarily about real estate on the conversation, just give a sense of the size, skill and breadth. And then we'll talk about history in a few minutes because history's fascinating.

Mark Preston:

Sure. So the property group, well, with the way that the sterling and the dollar has moved since you and I last spoke, the real estate activities were about 15 billion US dollars. But given the way the dollar's been appreciating and sterling's been depreciating, it's probably now closer to about 12 in dollar terms now.

Matt Slepin:

This is in three weeks, so that's pretty amazing. Yeah.

Mark Preston:

It's pretty amazing. Exactly. Pretty astonishing. Quite dramatic. I mean, there's sort of... Well, maybe we come back to it, but the food and ag business is much, much smaller. Oh, it's only about 5 or 6% of the property scale. And then the rural estates and the private side is a figure that we don't publish but is again a small amount relative to the urban property. The urban property is much the largest three-quarters or so of the whole thing.

Matt Slepin:

And that's across the globe. So just give some sense of how much is in the UK, how much in the US, how much in Asia, Europe.

Mark Preston:

Sure. Of that urban property, 12 billion pounds, about half of that's in the UK. And over the other half, about two-thirds of it's in North America and the remaining third is spread around Asia, continent of Europe and other markets. That's in very rough terms, Matt.

Matt Slepin:

Okay, fair deal. And talk about the history because I've never talked to anyone from a 340 year old company and what started this venture off?

Mark Preston:

Well, I think if we're going to talk about the history of the Grosvenor family's wealth and business activities, we really have to go further back. We have to go back to 1066. Some of your listeners who speak French will have detected the name Grosvenor is actually two French words. Gros veneor, which means great Huntsman. The first Grosvenor, Hugh Grosvenor, the current Duke is also called Hugh as it happens, the first Grosvenor was the Duke within the conquerors Huntsman and came across from Normandy within the conqueror in 1066. And presumably because he was a very good Huntsman, I don't know, history doesn't relate but one can assume he did lots of good things with his hunting weapons, there's a consequence. He was granted lands on the Welch English border. Some of those lands in Wales are still owned by Grosvenor today. It's over the border into England in Cheshire where the Grosvenor family set up their home and have been ever since.

So really it's a thousand year history. And in the Welsh English borders, the family first started to make serious money, relatively speaking, in mining, led them 10 mining going a long way back. But the modern history, what we call modern which you will find rather laughable, the modern history starts as you say 340 years ago when the properties side have really kicked in. And the reason that became preeminent in the Grosvenor family's fortunes was because of a marriage between Sir Richard Grosvenor in the early 17th century with a lady called Mary Davies who brought with her as her dowry some rather indifferent agricultural land outside the city of London, what was then the city of London, which we now know to be the west end of London, but of course then was farmland. And that land has become Mayfair and Belgravia, which of course now is some of the most valuable property in Europe, if not across most of the world. So that's how it came about through careful political and careful marital decision making. I think I'd probably put it that way.

Matt Slepin:

It sounds almost as good as Game of Thrones but not quite.

Mark Preston:

Yeah, well I hope it doesn't have quite the same ending.

Matt Slepin:

Probably not. We will go there. But it's so interesting because you talk about land that was outside of the city center. We know that in all of our cities that we have been developing in my lifetime over the last 25 years, in every city the new place is a place that was not quite rural but suburban or whatever or underutilized property. And then it becomes Mayfair and Belgravia, which is kind of an unbelievable story once you have that perspective of time.

Mark Preston:

Yeah. Well and I suppose the advantage that land ownership has had in this country is that property rights have never been removed by war or by revolution, whereas most of the rest of Europe, you can't say that. There's either been a revolution or a war or something dramatic which has seized property rights from private owners. That's never happened in the UK or hasn't happened yet, perhaps I should say that.

Matt Slepin:

Right.

Mark Preston:

And so that's enabled a family like the Grosvenors to hold onto and improve and develop and do all the things that we're going to come on to talk about doing with long term confidence that these are things that are going to be worth doing for the sake of a long term. And that is a really important ultimate fundamental stability for all of us investing in properties that you can trust the legal rights of property ownership, which of course is definitely not the case in many bases in the world today. So it continues to this day to be a very important fundamental principle of real estate investing for all of your listeners I'm sure. But certainly for us we hold great stead by that.

Matt Slepin:

We're going to come back to that thought of long term. But it's interesting because in most of real estate that we're familiar with in real estate investment long term is a five year hold, that's a midterm. But a long term hold is 15 years. And so what you're describing doesn't exist in the mindset of most people in the commercial real estate business apart from family ownership, right? So families that own for a couple generations real estate in New York, but even that's for two to three generations.

Mark Preston:

Absolutely. I mean that it's a constant topic of fascination, isn't it? For those of us in the real estate business. This long and short term distinction.

Matt Slepin:

Right.

Mark Preston:

I mean, what I'm about to say I would say, wouldn't I? But of course I believe it to be true, which is that as a long term owner in real estate, you really do have the ability to make significant impact socially as well as financially in a way that's very difficult to do with a shorter term view just because of the nature of real estate and the huge capital sums and time scales involved. Not to mention the environmental side, which we'll come onto, which necessarily requires a longer term view to be able to warrant the time and the effort and the capital invested when you know the rewards environmentally are only going to come after many years. So that's the benefit of it.

The flip side of course, which many people will quite rightly challenge is that the family ownership is potentially not adequately held to account. It's not scrutinized by independent parties to keep feet to the fire and there's a risk of complacency and laziness. And I think that's a very real concern that we have to keep our minds on. I think one of the ways Grosvenor tries to address that is by having quite a significant number of non-executives and independent trustees and non-executives sit on our various different boards to help holders to account to make sure that we are not becoming complacent and lazy and idle and really continuing to give us that, if you like, the benefit of the shorter term accountability while at the same time having the benefits of long term strategy and planning and capital deployment.

Matt Slepin:

Yeah, I want to come back to that in a second because I just want to get through some more definitions, but I also want to think about complacency versus longtermism. Sometimes complacency means you're not getting as much out of the real estate as you can or you're not managing it well or you're managing it poorly. There's lots of different meaning to that word complacency. They're not all wrapped up in pushing rents or not pushing rents or maximizing the value or maximizing long term value. In your tenure with the company, and this has been your job, we're going to talk about you at the end of the conversation a little bit, but during your tenure of the company you've worked for two Duke, so Hugh took over dozen years ago or half dozen years ago from his father, is that correct?

Mark Preston:

That's right. When his father died in August 2016, so six years ago, as soon as his father died, he became the Duke of Westminster just as King Charles became the king as soon as the Queen died. It's an automatic transfer of the title to the eldest son. There are very few titles in this country which passed to through the female line. Some do, but most don't.

Matt Slepin:

Fasting. One last question about this to get a sense of family office because in the states when you're in a family business and you get to generation 2, 3, 4, there become a ton of people, and so it becomes watered down in terms of the benefits to that group of folks. So therefore if you've been through 7, 8, 9, 10 generations, it must be way watered down but maybe not because it's closely held with a small group. Is that the case?

Mark Preston:

Yeah, that's a good question and it's easily misunderstood. Of course the number of generations in the Grosvenor family is a lot more than... Because the Duke then was... In fact the Westminster Dukedom was the last ever Dukedom granted by Queen Victoria. So actually the title of the Duke for the Grosvenor family is actually quite a new title.

Matt Slepin:

Right.

Mark Preston:

He's only the seventh Duke. There are many more generations before the Dukedom was granted to the Grosvenor. So it's actually probably 30 generations we're talking about. So it's a huge number.

Matt Slepin:

Right.

Mark Preston:

But the reason that it's still a fairly narrow group of people that in my job I have to concern myself with is because that's the way the organization has chosen to deal with inheritance. In other words, it has kept the beneficiary group narrow, i.e. just the direct family and [inaudible 00:16:49] successes of whoever the current Duke of Westminster is. They've not gone to all the third cousins and fourth cousins and fifth cousins.

Matt Slepin:

Got it.

Mark Preston:

They could have done. I mean no one's stopping them in doing so, but they chose not to. And that has resulted in a much easier management challenge for me, but also far more effective concentration of assets than as you rightly say would've been the case if we'd been distributing it more widely.

Matt Slepin:

Got it. Okay. Let's talk about real estate. Let's hold off on the stewardship and longtermism discussion and just talk about your international investing activities and how you choose where you spend your time, where you make your investments. And in this crazy world that you described a few minutes go as almost upside down right now, how do you allocate capital within these different places and where do you find opportunity?

Mark Preston:

Right. Well I mean the trustees meet every four years to have a long term strategy session. And that's the time when we look long into the future. And I really do mean long. We have 30 year and 50 year projections of... Obviously we can't accurately begin to look at the economic outlook over that timeframe, but we can look at how the family may look and what beneficiaries there might be and that kind of thing. We look at asset allocation and how we feel we should deploy our capital. We do not start with a blank sheet of paper. We start with what we have, which is a very dominant real estate business. So obviously we've immediately got a question as to whether we've got too much in real estate. And the conclusion we come to every time we look at this is no, we like having this dominant position in real estate. It served us very well. It's an asset class that we think will continue to perform well for us, et cetera, et cetera.

So we've usually started with a proper top down analysis but then met it, if you like, met it in the middle with an analysis of what we have and then made some adjustments.

Matt Slepin:

Right.

Mark Preston:

The continuing theme through every such review that I've been a part of, which is quite a few now, has been diversification, that ultimately we are well served by having a diversified portfolio by geography, by currency, by asset class, by management team, but recognizing that we have one very dominant sector exposure, that is to real estate. And therefore within real estate, we'd better be sure we're getting some good diversification [inaudible 00:19:15] and geographically within real estate, which we very much do as I'll come on to explain.

Matt Slepin:

Let's first talk about the financial returns, we're going to talk about social environmental returns next. But think about you've been through probably half a dozen if not more of those five year planning sessions. How has it changed and what does that allocation look like now and how do you think of the world in the places that are more risky, less risky and might have the biggest benefit?

Mark Preston:

Yeah, I think probably the most significant changes have been recognizing that we should do things other than property. So the food and ag, which was a big strategic change a dozen years ago and has now got going very significantly. The financial investments portfolio, we didn't have a very significant equities in fixed income portfolio 15, 20 years ago, now we do. So I think that moving into other asset classes has been one feature of the change over that period of time. The other one has been probably closer to over the last 30 years. Really most of my career at Grosvenor has been the expansion of the property activity from what was previously basically London plus a few cities in North America 30 years ago, 40 years ago, to two offices in 16 different countries around the world and a fairly diverse portfolio in continent of Europe, Asia, Australia, Central and South America as well as North America and the UK. So that's been a gradual but very material move over time into more diversified property and other sectors I would say has been the movement over this last 20 or 30 years.

Matt Slepin:

Fair. Talk about those allocations in terms of the new geographies you've gone into and then how you both enter those markets, how you view the diversification helping. And then also are you entering into different types of properties? Because you've talked about property allocation as well.

Mark Preston:

Yeah, it's an interesting time to ask that question Matt, because very recently, literally over the last six to nine months, we've concluded that our indirect business, what we call our indirect business, which we started about 10 years ago... And by indirect I mean rather than having our own boots on the ground, our own investment people, our own development people, our own asset managers sitting in an office around different parts of the world investing with control, controlling our own assets, which was very much the core of our strategy until the end of last year. Having had a 10 year, 12 year experience with the indirect team who are going and investing in minority stakes with operating partners but more active than, I mean not just being an LP. We would perhaps invest with the GP as well as with the LP so that we've got a bit more... Certainly got an investment committee seat for example, that kind of thing. So quite an active investor.

Matt Slepin:

Right.

Mark Preston:

That activity has been very successful on a number of different counts. Firstly, we've had very good returns from that activity. Secondly, it's been able to get us into new sectors and markets much more effectively and efficiently and quickly than we could if we were to try to put our own people on the ground. And of course we we're able to make small investments in new places. Move in, move out, switch around much more flexibly than by having our own people on the ground. But that's a big change for growth now because historically we would've taken the view. No, no, no, we want to control our own activities. We only want to invest where we are they at, we're the operator, we control the asset management.

So over the last dozen or so years we've been experimenting with that in what we call our indirect business. It's been very, very successful for us. I think we've probably found ourselves to be quite an amenable partner to operating businesses who are looking for not huge, huge hundreds of millions of institutional capital in funds, but those who are looking for tens of millions who can invest at a stage where they recognize that Grosvenor is in for the long term or we're not going to turn around offer three years and say, "Hey, we've had enough of you where off somewhere else." And that's been very successful for us.

So we're going to grow that significantly over the next period of time by almost effectively exchanging our direct activities in Asia and Europe for indirect activities. That's going to become quite a shift. We will however continue in the UK and in North America the same direct on the ground business that we have today. Those are big businesses. They've got enough critical mass. They're effective. They're efficient. They're delivering good returns. So those two businesses will stay as they are, Asia and Europe will switch more into the indirect.

Matt Slepin:

Right. So instead of have small businesses in those countries and having to manage them and have a span of control over them, now you have a span of control as a minority partner in an investment vehicle. And you guys had grow to investment management some years ago. This is replacing that strategy with instead of having your own funds, you're investing in other funds but investing in a big way.

Mark Preston:

Correct. So it's very much part of the same theme. It's looking at it the other way around and saying, "Well look, we could set up on our own as we have been doing in different markets, set up our own operating capabilities, then invite third party capital that we're going to manage."

Matt Slepin:

Right.

Mark Preston:

That works in some cases quite well for us. In other cases it didn't. But it never really got us to the point whereby we were significant enough as an asset manager to be able to generate the really significant returns we thought we could. And I think as with most things in the world of business at the moment, there's a bifurcation. Unless you are a really niche little operator, one man and a dog or a really significant large scale fund manager, you just don't want to be in the middle. And we were a bit in the middle. And so I think we concluded we were better off looking at this the other way around, and it's really flown very well for us.

Matt Slepin:

That makes a ton of sense. And then some of those investments that you've made, first of all, everyone loves having a large patient active investor in their pool so that's the best kind of capital out there instead of hot money capital or high load capital, having someone like you as kind of a dream.

Mark Preston:

Yeah, that's what we've found is that people recognize that. I think probably also because we've got some credibility by being a direct property investor ourselves, we're not just another faceless investor that has no track record or visible manifestation of expertise. We've been able to play it both ways and I think that's worked very well for us.

Matt Slepin:

Cool. And now this may segue us into the conversation about stewardship and longtermism. I've noticed that one of your investments is with Bridge Investment Partners in Salt Lake and they have a number of funds around workforce housing in particular. I don't know their climate change stance, but I do know that their approach to multifamily is longer term kind of hold properties. Talk about that and then we'll get into this long term thinking.

Mark Preston:

That's a very good example. Matt, that's a very good example of an investment that the indirect business is making, that one you've just referred to. I mean, on our own with our own team, would we be able to start up that kind of activity? No, we need to find someone who's really good at it and is focused on it. And Bridge is a perfect example of someone who we've selected and they've seen us as an opportunity to raise some patient capital and it's working really well.

Matt Slepin:

That's great. That's great. So talk about your own portfolio. Talk about this thought of stewardship and talk about what long term ownership means and what kind of muscles you're able to flex as a long term owner different than most of real estate investment management.

Mark Preston:

Sure. Well I think probably the best thing to do is to give you some examples. So we've been spending quite a lot of time and effort here in London retrofitting our built estate, which of course is largely historic buildings, which are not necessarily very energy efficient buildings. Retrofitting them to become much more efficient. We've got about a 90 million pound program at the moment going around in retrofitting these buildings, which is usually about insulation, boilers. So the energy provision.

This sort of investment we're making would really only make sense if you've got a time scale that you're going to be owning those assets for, I mean nevermind 15 years, probably 20 or 25 at least. We didn't. These assets are not going to be ones we're going to be selling in 250 years, nevermind 25 years.

Matt Slepin:

Right.

Mark Preston:

So there's a genuine feeling here that it's worth our while in self-interest terms to make these investments. It also happens to be the right thing to do for society and for the communities and for carbon emissions. So that's where there's a very nice harmony, if you like, between doing the right thing environmentally and socially with it actually being over the sensible timeframe, we can judge a good investment decision as well. And that's something that's harder for others to do if they don't have that sort of time scale. So that's one quite good example here in London.

Matt Slepin:

Let me just ask a question on that because if you extend the timeline, then any number can make sense. But you talk about the financial discipline. So is there a 2, 3, 4, 5 year payback? Is there a 20 year payback, but 20 years is okay if you're holding for 200?

Mark Preston:

Right.

Matt Slepin:

What's the analysis on that?

Mark Preston:

Yeah. Well, the way we handle that is to effectively at the shareholder level, we have a view to the long term return requirements that the shareholder requires, which is the very long term. But at the operating company level, we hold them to a five year rolling strategic plan and business plan cycle. So while the shareholder is satisfied with the kinds of returns I've just described from a long term perspective, the operating business nevertheless has to put forward a plan over a five year time scale that meets certain minimum thresholds that we set both on the profit side and on total returns.

And so that's the way we hold the teams to account, if you like, in the shorter term while at the same time allowing long term metrics to drive the biggest strategic decisions. And that becomes a conversation then between the operating business which says, "Right. I know I need to deliver on these particular five year metrics" and the shareholder who says, "In this particular case, we're happy to look at it over a different time scale." And that's a two way conversation that we hope ultimately lands up with a happy conclusion.

Matt Slepin:

Right.

Mark Preston:

And sometimes it doesn't. Sometimes there's tension there and that's a healthy tension. And then there's some debate and argument about how that should work.

Matt Slepin:

And is the healthy tension because the longtermism of the family is pushing the shorter-termism of the investment strategy of five year to say, "No, let's pretend it's seven years. It's okay. Go for it"? Or is it the other way around? Who's the pushier in that case?

Mark Preston:

Oh, it's both ways. Both ways. Sometimes it's one way and sometimes it's another. I like to see that balance being, I would worry if it was always one pushing the other. I like the fact that sometimes it's a push from the shorter term, sometimes the longer term because that's my clue to the fact that we're working appropriately within this balance of, on the one hand we want to keep people accountable to short term metrics, but on the other hand we want to make sure we're true to our long term values and shareholder metrics. And it's a balance.

Matt Slepin:

Right. Let's make this real in a couple different ways because you're talking about the properties that you're going to hold for 300 years. In the states, let's flip back over to the states where you do invest directly and you will continue to invest directly. I know you have a property I drive by all the time in Nevada, California, a retail property that's gorgeous. I don't know you're going to hold that for 300 years or you even know how to think about 300 years in Nevada, California. So in what does longtermism mean in terms of investments here versus investments in Mayfair, which go for it.

Mark Preston:

Yeah. By the way, it was when I was in California working in our North American business that I bought that Novato site, which perhaps I don't know whether you are deliberately choosing that because you knew that. But anyway, it's one of my [inaudible 00:31:11].

Matt Slepin:

I forgot it.

Mark Preston:

Look, I think it's too easy for people to think about longtermism as being, "Should we hold this asset for X years or Y years?" That's not how I think about it. We might hold a property for six months or nine months or six years or 60 years or 600 years. We might do any number of those different things.

Matt Slepin:

Right.

Mark Preston:

That depends on what the appropriate strategy of that asset is, what the market conditions are, all the normal sorts of parameters that most of your listeners would typically analyze to judge the appropriate hold period for an asset. But the really important distinction is that we're not in a situation where we have to sell it by a certain date. We haven't got a fund termination in 10 years or seven years. We haven't got a shareholder breathing down our net that wants to see their capital returned in year five or year six or year 10 or year 12.

Matt Slepin:

Right.

Mark Preston:

And that gives us the ability to define the appropriate hold strategy for each asset. And of course we don't expect to hold all our assets for 300 years. Definitely not. And indeed, even the ones that we have held for 300 years are regularly, and I mean every year, put through a hold-sell analysis to establish whether they are still appropriate to hold or not. The nature of the core estate in London has been that that particular holding has been so attractive and so well performing that genuinely each time we've done the analysis in central London, we've concluded on the balance of alternative investments we're better off holding them. But it doesn't mean we haven't sold significant amounts of assets in central London. We absolutely have. I think people assume we sit on these assets and never buy or sell. We absolutely do. We turn them over more regular than people might think.

Matt Slepin:

And when you turn them over, do you buy them back sometimes too?

Mark Preston:

Yep. You bet. Absolutely.

Matt Slepin:

Of course.

Mark Preston:

In many cases, of course it's even better than that, Matt, because in the UK, which is it's certainly common in the commonwealth countries where the English tradition in terms of landlord has applied. It's not completely unknown in the United States, particularly not in universities, but it's pretty unusual to have this freehold, leasehold. You call it fee. We call it freehold. Freehold, leasehold structure whereby we can retain the freehold interest to Sell a long lease.

Matt Slepin:

Right.

Mark Preston:

And then of course in due course that lease comes back to us again. So we can keep a foot in the door, if you like, as well as economically reducing our exposure and then buy it back subsequently. And that happens. We might feel that a particular street or block of property has been maxed out. We've done as much as we can to it. It's become a dry core asset. So we set it out to perhaps an institution who's happy with a lower return. And then after 10, 15, 25 years that asset needs repurposing or redeveloping and typically we might take it back, redevelop it, revert it, and off we go again.

Matt Slepin:

Right. Again, long term thinking about this. And it's interesting because when I envisioned this conversation about long term thinking, I assumed it always meant sequential long term holds. But really the point is you're going to be a real estate investor in 350 years. Whether the assets are the same, whether they trade in and out, doesn't matter as much as that you're going to be doing real estate. And there's reputation against that real estate that's a long term hold as well as just the returns that you're getting during that period of time. So you do have to be a student.

Mark Preston:

That's right. I think exactly right. Yeah. I describe it as a way of thinking, a mindset rather than a set of rules that... Yeah, I think you put it very well in the way you put it, Matt. It's just that we're going to be investing. We're going to be active in this market long into the future. That means we have to mind about our reputation. It means we have to mind about what the impact is that we're leaving. All those things. And I mean, I think quite often I've heard people say they might do a transaction in the market that the outside market might see as being less than ultimately commercial. To quote your own words back, Matt, we may not have squeezed every last pip out of that asset.

Matt Slepin:

Right.

Mark Preston:

Well, maybe under a short term analysis that would be correct, but that's not the way we're looking at it. We're looking at, we might be looking at a relationship over a much longer period, which means that actually in the long run we think reputationally and commercially we're better off doing that deal now for all manner of other reasons, which may not be visible and apparent to the market, but they make sense to us.

Let me give you another example, Matt, that's a pandemic related. During the pandemic, very quickly we took the view among our retail tenants here in London. But the best thing we could do was to keep them in business through the pandemic so that we would have streets that were lively and thriving when we came out of the pandemic. That meant doing some quite significant deals with them on rent relief and other forgiveness, which we really got onto very quickly and very early on. And that again, is a really difficult thing for a short term investor to justify to their shareholders, but it wasn't a difficult thing to justify here because everybody understood that in the long term that would pay us dividends. And I can already say it has because coming out of the pandemic, those streets indeed were busier and more thriving. The footfall was far higher on our streets than was on many other. And we bounced out of the pandemic very quickly. We had almost no retail vacancy.

So I think those are the sorts of things one can do again, which is very difficult to do if you are... I very well understand for most of your listeners who say, "That's all very well for you. We don't have the luxury of having a shareholder who's got that patience." Well that is a significant advantage we think.

Matt Slepin:

Yeah. I'm thinking of some bubble gum. I'm going to pull it really far. I'm thinking of elastic, I'm going to pull the extension out there. A number of our guests have talked about exactly the same thing you have, particularly retail owners during the pandemic. And they all said, "We have to keep our tenants as happy as we possibly can." That's really important for the stability of the retail center, of the retail community. Again, let's think about Nevada here to make it real. But what does that look like? But if I keep pulling the elastic further and further out, then you have even some different dynamics, particularly in downtown London that you're playing with about reputation not just to the tenant base but also reputation in the community.

And so I want to think about that kind of many, many generational years of reputation that is the estate not a REIT. And this has come up on the podcast a lot, which is two of the dirtiest words in the English language are landlord and developer, and you're both. One challenge I bring to particularly our organizations in the business, the Urban Land Institute, National Multi-Housing Council, and the apartment business, is how do we reclaim those words to not have all negative associations in the popular mind? And it's a huge challenge. I was last week at the National Multi-Housing Council where I got COVID, so not good, but also where we were demonstrated against. And these are responsible landlords. So get to that and what that means when you have the name Duke in front of you or Grosvenor estate in front of you, not just the name of a REIT, which is 15 years old or whatever.

Mark Preston:

Quite right. Quite right. So what do I think about this subject? I think about this a lot. I mean, first of all, the real estate industry, let's face it, has not been anything innovative enough as an industry. We've been able to get away without being very innovative unlike most other industrial sectors. So I think to some extent there's a legitimate challenge that can be laid at our door as an industry that we've been able to enjoy a business model that hasn't really changed, well, since the dawn of English law in the middle ages in this country when someone invented a lease as a way to put a contract between somebody who own a land and somebody who wanted to occupy it. And essentially that model hasn't changed. So I think that's one reason why we get this sort of what we think of as being very unfair press.

The second reason is that we've done a very poor job of lobbying for ourselves and making our case as an industry. We've got to get a lot smarter about that. So how do we go about doing that? Well, it seems to me that the enormous opportunity and challenge that climate change faces is the answer to this because if we can demonstrate to the wider community that we're taking that appropriately seriously and doing something about it, I think that could be a very interesting key to unlock this image problem, I'll call it an image problem we've got, which I completely agree with you, we do have as an industry. And you're right, it's definitely a little bit harder still if you are a Duke who inherited all this land and arguably in some people's minds didn't deserve it as it were. So that landlord image is extremely unhelpful. I think we're doing a lot as much as we can, I think on the environmental side particularly, but also on the social side to now address that.

I mean, I would say that as part of being a long term investor and owner, we've always been very concerned about our reputation and about the communities that we're active in. But I don't think we've done anything as good of a job of actually explaining and telling everybody what we've been doing. We've probably been rather shy of doing that actually. And so there's an image problem. And I think the unlocking it is a lot to do with environmental and social value where the real estate industry has a huge role to play because we play such a vital part in people's lives. So I think there is a way through this for us, but we're starting from a negative 10.

Matt Slepin:

Yeah, we sure are. And it's funny because I'm thinking again of Britain, I'm thinking of Dickens, right? Dickensonian of the word landlord, not the word developer, but it starts there, which is this negative connotation towards it.

Mark Preston:

Right. Yep.

Matt Slepin:

But I'm also thinking that because it is personalized to a Duke, maybe that makes it worse and harder, or maybe that makes it easier because you can take some responsibility against that both on climate change and then against the housing shortage because rents have just gone nuts. So that pain point then can become associated with you and you could deflect it somewhat by more patient perspective.

Mark Preston:

For sure. Absolutely right. And so we've got a number of initiatives both on the environmental side, specifically carbon zero initiatives, and also affordable housing and others which are designed to do exactly that. And of course, on the one hand people might expect and demand and challenge the Duke as an individual as to what he's doing to help. But on the other hand, because we are doing quite a lot, as you rightly say, he has the opportunity to own that message and deliver it very personally, which indeed he does and his father did.

Matt Slepin:

Mm-hmm. So from both perspectives on this first in London, England, UK and then talk about it globally, talk about more about climate. Let's drill down into it. Are we able and do we have the tools that we need to affect this in your properties or in the properties that you build?

Mark Preston:

Actually I'm really quite optimistic about this. I think we do now have the technology, and not just in the real estate industry by the way but also more broadly in the energy sector. We do now have the technology to solve this problem, which is a massive exciting opportunity at a time when, my goodness, we certainly need some optimistic thoughts to help us through. So I think we do have the technology. Unfortunately, we don't always have either the will, or even more unfortunately, the regulatory and compliance environment to enable us to actually go ahead and deploy all of those technologies. So the will, well, that's down to all of us as leaders to make it happen and I think in particular the challenge to shareholders who otherwise might take a short term view to encourage them to see that actually there won't be a long term unless the short term view starts to think more about the long term. They really have a responsibility to think about this more seriously.

As far as the regulatory side of things, I'll give you an example of what I'm talking about. In the UK, as you'll know, we have a very large number of historic buildings, which are historic. Therefore, there's a limited amount of adaptation that you are allowed to make these properties, which is preventing us from making them more environmentally, giving them better energy performance. And that's a problem. We are busy on that score here at Grosvenor in really campaigning quite hard for an overhaul of the compliance environment to make it possible to make changes to our buildings to make them more environmentally sound and solid. And I think that's entirely possible.

Matt Slepin:

Uh-huh. Let me ask a couple questions about that because it's interesting. One is that I argue that sometimes it wants to be a portfolio view versus every building if it applies to this building and has applied to every building. In some buildings you maybe can't retrofit and are too precious to try to retrofit and you ruin it by retrofitting, but the rest of the portfolio you can go overboard so therefore you're getting to a better goal than pretending you could do it everywhere 100%. Any comments to that?

Mark Preston:

Oh, well, I think mean one has to be pragmatic. The way I've challenged the team here is to say we're not going to... Let me put this in terms of social benefit rather than environmental but I'll make the same point. We're not going to make a huge amount of money over here in order to give it away over there.

Matt Slepin:

Right.

Mark Preston:

We're going to make a significant amount of return across the board and we're going to do social good everywhere, because it's no good saying we're going to help people out over here disproportionately, but we're not going to help people out over there. So socially, the social picture I think has to be well spread across all of our activities. But environmentally, we are dealing with circumstances that are outside of our control. And so absolutely, there may be some particular buildings where we can only go so far either because of their very unique architecture or other features, or because regulatory we just can't make the changes we'd like to make. I mean, there are buildings here for example that we cannot double glaze the windows. Well, a single glazed window is the easiest way of letting heat escape into the outer atmosphere. But in some buildings we simply can't make that change. Well, okay, so we're going to try and do more elsewhere. Absolutely.

Matt Slepin:

Uh-huh. And talk about charity versus behavior in the portfolio if that touches off a concept for you, because I think you've mentioned that in somewhere else I heard you talk,

Mark Preston:

I mean, there is a foundation here, the Westminster Foundation, which is the family charitable organization, which is just solely in the business of making grants to charities. So that's one end of the extreme. But all of our commercial activities are required to make an impact environmentally and socially, as well as financially. And so when we are putting our plans together and our strategies together for portfolios and individual buildings, we're expecting to see how our management, our intervention, our development of these buildings will make an impact across all those different areas. So I don't call that charity, I call that being a responsible citizen.

Matt Slepin:

Yeah, sure. So make that real for our listeners, both with a UK example and the US example, of being a responsible citizen and how you judge a property from not just the economic returns, but the contribution it's going to make.

Mark Preston:

Yeah. Well, I suppose something close to Americans' hearts is Grosvenor Square, which is part of... Some of your listeners will know that the US Embassy, until very recently, was located on Grosvenor Square here in the middle of our London portfolio. That Square is at one of the largest Squares in London. We're in the middle of the moment of completely redesigning that Square to provide much more public access, biodiversity, interesting cultural activity in that Square to engage the local community. Whereas at the moment it's just concrete paths and grass and a statue of Roosevelt, a very nice statue of Roosevelt, and some other American memorabilia, which will stay by the way. That costs money and time, but it makes a big impact in the local community and certainly makes also an environmental impact.

Matt Slepin:

It's interesting because they talk about bike lanes or hiking trails and the economic advantage that a hiking trail has on the homes surrounding the hiking trail, and that's infrastructure. And you're talking with Grosvenor Square. If you're surrounding that Square, the better the Square is, your values go crazy up and if they don't, you're in trouble.

Mark Preston:

Exactly.

Matt Slepin:

Enlightened self interest is a wonderful word.

Mark Preston:

Yep.

Matt Slepin:

What are we missing in this conversation about stewardship? Are there other messages that you want to drive home on the concept that we're talking about?

Mark Preston:

Well, I wouldn't have thought to answer the question this way where not for the fact that you prefaced your question by asking me about my career. Maybe that was deliberate, but it certainly makes me think about answering your question in the way that I have now become I suppose so much a part of the fabric here. I mean that itself can be dangerous, but what it means I think after 30 something years here at Grosvenor is that I suppose I feel a very strong sense of belonging and commitment to the organization and to the Grosvenor family. That means that I really can no longer distinguish between what Mark Preston thinks vis-a-vis his career and what Mark Preston thinks vis-a-vis his responsibilities to Grosvenor because they're the same thing.

Matt Slepin:

Of course.

Mark Preston:

I hope I'm not being obscure. What I'm trying to say I think is that the advantage of having worked up through Grosvenor in the way I have is that I'm really all the time thinking about what is the future Mark Preston going to think about what the current Mark Preston is doing rather than the perfectly normal human condition, which is to say, "Well, the future Mark Preston's going to be somewhere else doing something else, so I don't need to worry about that too much." And now it's a perfectly normal reaction from most people in the most corporate situations. But it certainly makes me think differently about, to your question, of stewardship, knowing that actually I'm going to be the one who's going to be accountable for these things, assuming I'm still here. At some point I won't be of course. And I think that that is definitely conditions the way I think about the business. Most definitely.

Matt Slepin:

It's interesting. I've had one mayor on the show and we were talking about the subject and we were talking about that person's four year term and what they would accomplish during the four year term and what the goals of that term and period would be. A mayor's different than a king who's going to have a 30 year reign, but it gets to one of the other topics about this, which is really longtermism. And if you view that you will be here and you will retire here, and this was your whole career, then the concept of longtermism for you yourself becomes incredibly real. You have to live with this.

Mark Preston:

Exactly. Of course there's massive dangers in that too, which is again, going back to complacency and lack of fresh thinking. We have to have a balance. We have to make sure that we've got a mix in our executive team of people who are fresh and coming in with new ideas as well as people who like me have been here for a while. And so balance is really very important. I'm constantly aware of the risk that I don't have that outside fresh look and so I have to rely on other people to provide that and to challenge me. And that requires obviously a degree of transparency and openness, which I regard as being part and parcel of my job, i.e. I'm very conscious that I don't know best, but at the same time I do understand the organization and its long term values and priorities. That means I can balance new ideas with this long term perspective. And I hope that works well. It certainly feels to me like it's a good combination for Grosvenor.

Matt Slepin:

It's interesting because when I first met you 25 years ago in Marin County when you were on your tour here at the States, it felt like an organization. And I use these words because you were a client back then, quietly to my colleagues, but it felt like a complacent organization and it felt as if tradition was overwhelming it instead of allowing it to be innovative in any way.

Mark Preston:

Yeah, I think looking back to those days, I think that's a fair observation. It was polite of you not to throw it at me at the time. I'm not sure how I've dealt with it, but I certainly recognize what you mean. I think the organization has changed enormously in that time while at the same time not sacrificing those things which we think are really permanent about the way we do business and the values, how we treat people, our responsibility towards the community. But I would say that the organization is enormously different than it was then. And I think you can see that from some of the things we're now doing. We need to be ever careful about that complacency risk.

Matt Slepin:

It's a balance. I'm curious about a couple things. It's a balance and there's long term organizations we do business every day with the REIT or long term organizations. I think Blackstone's going to be here for a while too. And if you look at them as an institution, look at your organization's institution, you don't need to be any less innovative than those organizations. It just depends on leadership.

Mark Preston:

Yeah, quite right. Exactly. We can actually experiment in a way that maybe others cannot. And so that's an advantage too. And we are doing it. We're doing variety of... For example, I'm giving you an example of that. We've recently started to do something which I never would've thought we would do. In fact, I probably would've been very against it five years ago, which is we're now actually investing in the businesses of our occupiers, our tenants, where we see them to have real potential.

Now, five years ago I would've said, "Don't be ridiculous. We're in the business of real estate. We don't understand the operating businesses of our tenants. That's for them to do." I now take a very different view, which is our business is their business and we need to get closer to them. Any way we can be close to our occupiers is going to be good both for our relationship with them, but ultimately for our business.

Matt Slepin:

Right.

Mark Preston:

In other words, it's moving again. It's moving away from this passive sort of rentier landlord image, much more to a partnership, which I hope is part and parcel of creating this different image of landlord and developer from the one that we've known for all times.

Matt Slepin:

Right. It's interesting. Last guest on the podcast or two guests ago was from Life sciences BioMed, head of BioMed, Blackstone company. And in that space in particular, what you're describing is not essential but it's a critical differential that they're able to play in the business because they can invest on the other side with these biotech companies, but they're really almost venture capitalists in terms of the risk they're taking and the companies they're getting to know. So it really matters-

Mark Preston:

Yep. [inaudible 00:54:01] on the food and ag. We've not talked about over on the food and ag side, that's exactly what we are. That's entirely what we're doing there.

Matt Slepin:

Yeah. And talk about the energy or not energy that's brought to your hiring in the young people in your organization given this longtermism perspective that 20 years ago didn't really exist in where we didn't think of it that way, but now particularly with climate change it's top of mind.

Mark Preston:

Well, I mean, I would certainly say that the sort of employer proposition now is all about the impact we're having socially and environmentally. It would be wrong to say every new joiner and every graduate coming here is coming because of that, but I think most of them are. And I think probably nearly all of them wouldn't be here if it was simply, frankly how it was when I started out my career, which was a good job with a good employer with interesting properties. I mean, it's most definitely that's very, very significant change we've had to run pretty fast to keep up with actually, I'd say. But again, the proposition we've got the long term approach as witnessed in the way we can have an impact on everything from biodiversity in Grosvenor Square, to lowest carbon milk producer in our dairy farm activities, to phosphate recovery to improve sustainable farming agriculture and combined heat and power technologies in some of our new office buildings and on and on and on is absolutely central to our ability to attract people now for sure.

Matt Slepin:

It's wonderful. Hey, I'm going to skip the whole section talking about your career, which might for you feel like a blessing because we're going to run out of time. I'd like to go up another 5,000 feet because I want to mash up a couple of thoughts here that have been on the sidelines of the conversation and we started there a little bit. But in Great Britain, you just went through the death of the Queen, the ascension of a new king who actually knows what real estate is, cares about real estate, cares about communities, cares about the climate actually. I mean, these are things that King Charles has been talking about for years and years. I want to mash that up with our global fascination with thrones and with succession and our fascination and fear of climate change. So all these things mash up together. Any comments on, is there a metaphor within the change of leadership there with all the themes that we're talking about here?

Mark Preston:

Oh my goodness, Matt, that's a really tricky one, isn't it?

Matt Slepin:

Sorry.

Mark Preston:

I've got to avoid getting into constitutional issues, which I'm not qualified to talk about. But what comes to mind, I think, are a couple of thoughts. The first relates to the extraordinary scenes that I think you have seen on your television screens around the late Queen's death and what was said about her and about her as a leader. I think that's important to just touch on. And then secondly, more directly to your question, what role our new king might play specifically with regard to environmental issues and properties role there.

I think the first point is that I thought, I mean, it couldn't be more timely to have people reflect on the extraordinary example that the late Queen gave us all, of duty and responsibility and integrity and probity and frankly all the things that are so patently lacking in so many of our political leaders today. And so that I thought was an interesting moment in time given what's been going on with populism and so on. I think it was quite an interesting moment just for everybody to reflect on just the extraordinary example of leadership that somebody with that lifelong commitment was able to give-

Matt Slepin:

Instability.

Mark Preston:

... quite comparison with our... Instability. Yeah. And I mean, it's an irony, isn't it? It's a supreme irony that the thing that we all could not tolerate as democratic electorate, i.e. the idea that our leader should be hereditary ruler with no democratic authority is actually more loved and more appreciated and more respected than anybody we've ever elected ourselves. It's a supreme irony really, isn't it?

Matt Slepin:

It's fascinating.

Mark Preston:

I'm not suggesting we should upend it. Of course I'm not. But it's just a very interesting observation. Anyway, moving on to your more important point. I mean, the challenge I think for the king of course is that as king constitutionally, he has to be very much more careful about what he says and what he does than he was when he was Prince of Wales. So a lot of what we've seen him do and say he will be unable to do and say, and he'll be relying on those things that he's put in place as the Prince of Wales to carry on under their own steam and their own leadership.

But, this is just going to be interesting to see, but I find it difficult to believe that those things that he feels so passionate about are going to be things that he's simply going to go quiet on. And we'll just have to see, Matt, whether his leadership as king in those areas is going to make the difference that I think we all needed to make.

Matt Slepin:

Right.

Mark Preston:

And so I hope he finds a way to just keep you on the right side of the constitutional requirements of devolving power to an elected government, which of course he must. But on the other hand still using what he calls his convening power to make things happen environmentally, that as you say, he was talking about it long before the rest of us cottoned onto what was really needed. So I think he has some real credibility in track record there, which would be a shame if we don't see come through. And I'm sure it will in some way, but it will be different. It cannot be the same.

Matt Slepin:

It's interesting, because leadership matters, and I will get political for a moment. Our prior president to the United States, environmentalism didn't count, didn't matter was not part of it and short-termism was everything. But short-termism was the byline versus leadership and longtermism. And I think you have that opportunity in your country with everything we've talked about.

Mark Preston:

Yeah, but that's for sure. I mean, when we need longtermism more and more, we seem to get more and more short-termism. And I suppose that's to some extent the world of social media and instant communications, which is in some ways a blessing, but in so many ways is a curse. And I'm not sure that... I can't get into that. That's just-

Matt Slepin:

Dangerous.

Mark Preston:

... one of the things we've all got to grapple with, isn't it?

Matt Slepin:

Given these points, the last question on Leading Voices is always advice for a young person entering into the real estate industry.

Mark Preston:

Okay. Well, the first thing I always say to young people when I'm talking to them is, don't go into real estate because your father or your cousin or your uncle or anybody else tells you that's what you should do. There are a lot of people in our industry are in it because their family was in it. So that to me is the worst reason. Not just the worst reason to go. I mean, it's the worst reason to do anything just because you're told to do it. So I think the best piece of advice is think through what matters to you personally. What are the things that get you interested? What are the things that you find exciting in industry interesting? And then pursue those as hard and as strongly and as persistently as you can. If that takes you into real estate, that's great. But if in fact after you've reflected on it, it actually takes you somewhere else, for heaven's sake say go somewhere else. So that would the first thing I would say.

But assuming nobody's put off and they're still saying, "Yeah, yeah, yeah, I've done all that thinking, I want to go into real estate. Then what?" Well, I think the best piece of advice then is to go and talk to people, other young people who are in the industry who recently started out and try and find out what's going to be the best way to get going for you because there are so many different entry points. For some people they've found a very effective way to get into [inaudible 01:01:53] the advisory side because that suits their particular characteristics. That was never going to be a good way in for me because I knew I was never going to be very good at selling something to somebody if I didn't fully believe in it myself and I'd be a useless salesman.

So I think thinking through what kind of a personality you are. Are you a strongly optimistic, risk taking kind of person? Well, that's going to lead you towards development typically.

Matt Slepin:

Right.

Mark Preston:

Are you a more conservative, risk averse, institutional type of character? I think trying to figure out which entry point is probably the second area of advice. And I think you can only do that by talking to people who are in the industry, finding out what they do, and being really honest with yourself about what interests you, what you're good at, what you're bad at. It's not that difficult for people to decide whether they're risk takers or not risk takers, whether they're optimistic or pessimist. People will tend to convince themselves that there's something else. But most of us know deep down which we are. And I think that's an important thing to start off with. Be really honest with yourself about where your strengths are and where your weaknesses are.

Matt Slepin:

It's interesting. As I talk to people about this, my suggestion is the same but slightly different, which is, try this, try that, try the other thing. And because you have views of, "Oh, I like this person, I want to do what they do" but you may not be them, you may not be like them. You may be attracted to the risk taker, but you might actually be the asset manager yourself.

Mark Preston:

Right.

Matt Slepin:

And you don't know that till you do it and you go, "Wow, I'm really good at this. I really like this. This makes my heart sing."

Mark Preston:

Of course. That's got to be the... Yeah, you're quite right. Go out and try experiment. Be brave. And in particular, when a door opens in a new area that you might immediately think, "Well that's not for me," just think twice. Maybe you need to go just try that before you rule it out. And on the whole when a door opens for you, be very careful to slam it shut, not only because it sends a message to whoever it is who's offered you that door opening that you are closed minded, you're not up for a new challenge. So I think you're right. Early in your career, go out, experiment, do new things, do different things, particularly these days when there's so much new opportunity and new areas that is entrepreneurial and exciting and different and there's no stigma at all in going and trying those things out in the way that perhaps there was in our day, Matt, when people would think you were flighty in some way if you did that. Not at all. I think that's to be really encouraged. I would agree with you.

You must go and work with decent people. You must not settle for an environment where your own personal values are at odds with the ones of the people that you're working for or with. I think in that situation, you've got to be really brutally straightforward and there are lots of wonderful people out there to go and work for. So go and find those people and don't settle for people whose values you have an instinctive feeling might be wrong. Trust your instinct in other words, I think is what I'm saying.

Matt Slepin:

100% on that comment. And I fully agree with this as well as everything we've talked about. This has been a great conversation, Mark. So thank you very much.

Mark Preston:

Thank you, Matt. Nice to see you. Talk to you.

Matt Slepin:

And Mark, I'll see you sometime in London or San Francisco again, I hope.

Mark Preston:

Yeah, I look forward to that.

Matt Slepin:

So talking about the Duke only gets to be thinking about one thing and for anyone who plays music, C, A minor, F, G, especially guitar was the essence of the '50s and '60s.

So we go out with the podcast thinking about this. (singing)

Thank you for listening into Leading Voices, and I hope that you enjoyed today's episode. I have a request. If you enjoyed the episode and found it to be valuable, please share it with a friend or two. If they're podcast wary, take their smartphone in your hand and subscribe for them and teach them to listen. You'll change their life. Seriously, thanks for listening and keep in touch. You know you can reach me at matt@terrasearchpartners.com. See you next time.