

Nikos Koulouras

From architect to real estate investment expert with over 20 years' experience, meet our September Master, Nikos, who joined Boreal IM as a Partner in 2022.

“What attracted you to Boreal IM?

Louis-Simon, our CEO and founder, is a good friend from our business school days. Hearing what he wanted to achieve with the business was incredibly attractive. I felt that our skills and backgrounds were very complementary and I had the chance to get into the business early enough to help shape the culture.

You originally trained as a architect in Australia, how did you end up working in real estate investment in the UK?

I actually grew up in Greece and only went to Australia for university as my mother was originally from there. While I

loved my time there in Melbourne, it was never 'home' and eventually my 'umbilical cord' pulled me back to Europe. Like Ulysses, I returned to Greece after 10 years or so, but soon after decided I was getting frustrated with the practice of architecture. I decided that an MBA would allow me a clean break to round out my skills and knowledge. I had done a 6-month internship in New York during my architecture degree and loved it, so chose to go do my MBA at Columbia University. Within a month I realised that everyone was already looking for their post-MBA job, and, panicking I would be left behind, I followed the herd and ended

up in real estate finance. I loved studying in New York but I wanted to head back to Europe, so London was the obvious place. Since being in London, I have had to realign my career over the years closer to what I enjoy, back into investment and development.

What do you enjoy most about your work?

I enjoy creating things that are meaningful and interesting to me and to others, whatever they may be. At Boreal it's many things: creating a meaningful culture for the business, bringing the team together to work on a new development, fussing over the corporate branding, or even creating a cocktail for our Cocktail Fridays.

What does your typical weekend look like?

Busy... too busy! Chasing my three kids to do their homework before schlepping them around to their sports or other activities, a bit of cooking, some running/cycling for my own mental health, squeezing in some time to catch up on work, the odd fun outing with my wife and kids. If I can muster the energy, I also love to drag my family to see an exhibition, especially at the Tate. Finally, if we have not fallen asleep on the couch by 9pm...seeing some friends or watching a movie.

Boreal IM has grown quickly and certainly made an impression in the market since its launch in 2022. What is the secret to this success?

I would say it is that the partners have a lot of grey



hair! But seriously . . . to elaborate a bit: I think the success comes from the fact that there we are four partners who all bring something very different to the business and who all have a lot of experience in the European real estate sector. While Boreal is a new business, the partners have almost 80 years of experience spanning the continent. This of course has allowed us to attract an incredibly talented and motivated team, many of whom we worked with in the past. Without an amazing team you are not going to have much success. We also all have a deep knowledge of the real estate market generally, and the logistics sector specifically, so we can move quickly and with conviction. The partners have seen a crisis or two in our careers (hence the grey hair), so have some sense of when and how to tread carefully in what has been a very tricky year or so. Of course, without the backing and capital of a great investment partner like Cadillac Fairview, soon to be just OTPP, we could have all the contacts and knowledge in the world, but without a single investment. We definitely have to give credit to our success to our investment partners, who have also had strong conviction in this market and not stood by the sidelines like many other investors.

Where do you see the business in 5 years' time? (What are Boreal IM's plans for the future?)

I think we are well on our way our way to growing our logistics business into a 5bn EUR pan-Euro platform.

WORDS OF WISDOM

What advice would you give to your younger self?

1. Try to pause and look way, way past the next decision or obstacle lying ahead and see where you want to end up;
2. Take care with big decisions - seek the counsel of those with more experience, always listen carefully to what they have to say;
3. Never follow the pack, always follow your instinct and pay attention to your own doubts. Try and be true to yourself, and if you do not know what that is, look harder!

What are the three most important ingredients for a successful business?

In my experience, both in architecture and real estate investment, the most important ingredient by far is an intelligent, motivated and curious team. If you do not have that, nothing else will make a difference. Challenging how things are done or the status quo is probably also a key ingredient. You are not going to hit it out of the park unless you try and do it a bit better or a bit differently. After that, I would say leadership, and leading by example is key. If you can make everyone in the team think like a principal and not an agent, that is incredibly important to overall success.

Alongside that, our ambition is to set up investment strategies peripheral to the logistics space and leveraging the lessons we have learnt from the logistics sector. As always, we are looking for investment strategies that are scalable, need to be institutionalised, take advance of secular trends and have strong tailwinds. The culture of the business is of critical importance to me, so making sure that we grow organically and gradually is key to preserving what we have created. We all have come from larger institutions so part of the attraction of creating Boreal was to make sure we stay lean and agile with an aligned and well-motivated team.

In another life what would you be doing if you weren't busy with Boreal IM?

Probably renovating old houses, which I've actually just done, very slowly, for our summer home in my ancestral island of Hydra in Greece. I loved getting into the archaeology of the place, working with local craftsmen to bring the traditional ways of building and creating into a more modern setting.

Who has been most influential on your career to date?

If I had to pick one, I would definitely say it was my university thesis supervisor and then boss, Ian McDougall of ARM (Ashton Raggatt McDougall) architects. Apart from being like a father figure, he was incredibly curious about all matters and generous with his knowledge and time. He was also incredibly insightful and despite his fame and

despite his fame and recognition, had no ego. When I decided to leave behind ARM and a successful career in architecture to do an MBA - something most thought was nuts - he was one of the few who understood why I was doing it and was very supportive.

Tell us something not many people know about you?

I spent the first few years of my life living with my family on huge oil tankers travelling between Canada, Mexico, US and South America. My father was a sea captain.

What is something you would like to learn or get good at in the future?

Where to start?! I would like to learn apiculture (beekeeping)!

What are you most looking forward to this year?

I am looking forward to enjoying time in our new house in Hydra with my family and friends, going swimming, running the trails, and generally disconnecting from my busy London life. I find it hard to switch off when it comes to my work, so making time during the year to have a real break is essential to maintain a clear and positive outlook. On the professional side, I am very much looking forward to expanding Boreal's investment footprint further into France and Spain, kicking off with our developments in Italy and Paris, and working with the team to ensure we have effective and efficient processes in place as we continue to grow as a business. I am also looking forward to the new branding and design guidelines for our logistics platform. Watch this space! ”

LOGISTICS FOCUS

Do you see any let up in the demand for industrial and logistics assets in the short to medium term? How do you think the next 12-18 months will play out for the industry?

Clearly the growth in the need for logistics space, further fuelled by the rise in e-commerce during Covid, is now returning to a more normal pace. It is likely that 2024 will see further slowdown in some markets but we believe there is still going to be strong demand from tenants for the right type of space in the right location. Furthermore, while tenant demand overall is slowing down, so is development. The yield, rent, construction cost, cost of debt and developer profit margin development formula is no longer balancing out for most investors, especially where land was acquired at historically high levels in the last couple of years. This means that development projects are also being shelved so supply will contract in the short and mid-term. The current market offers great opportunities to acquire quality assets at considerable discounts to the peak in early 2022. As we mainly focus on land-constrained areas in major European centres, we expect to see continued rental growth and strong demand in the assets we are acquiring.

What countries are most attractive to investors right now and why?

Because we buy-and-hold, we are a bit different to purely opportunistic investors who typically will look at an exit in 3-4 years. We want to build a pan-European logistics platform so eventually we will end up in all the larger countries in Europe. We invested in the UK and the Netherlands in 2022 as they repriced quickly and we had motivated sellers with the need for liquidity. We also invested in France, which at the time looked very expensive, but we found a unique opportunity when the market was at a standstill. In 2023, we focused on Italy, Germany and France as these markets started to reprice and competition became scarce. Having invested in our first six target markets, we are looking at the Nordics.