

Simon Betty

Meet Northwest Healthcare Properties' Head of Europe, a man whose 20-year international career spans from competitive sailing to retail, hospitality and healthcare.

“Did you choose real estate or did it choose you?”

A little of both, my father was in real estate, so I grew up in a real estate household. Aged 17, and needing to decide about University, I opted to study Land Economy. I started in my first job in retail and leisure consulting before moving to Hammerson where I held several corporate finance related roles. Hammerson was early to recognise the post GFC investment opportunity in Ireland. When we completed the purchase of NAMA's Project Jewel EUR2.5bn NPL portfolio with Allianz in 2015, David Atkins called me into his office saying 'Well done! Now you've bought the portfolio,

you better get out there and run it.' So, I went about establishing the Company's Irish platform. Hammerson was hit hard by the Covid pandemic and, after working through the recapitalisation rights issue, I decided the time was right to do something else and moved countries and sectors as CEO of Adina, a Berlin based Extended Stay OpCo / PropCo business.

You've transitioned from a leadership position in retail, to hospitality and now healthcare – what was the biggest challenge of making each change?

The sector changes have been relatively easy to navigate. Notwithstanding its

recent challenges, the retail sector is the most 'operational' of the traditional real estate sectors (retail, office, industrial) and equipped me well to transition into hospitality and, latterly, healthcare. Each sector has its nuance, but the critical success factors remain the same: operational excellence, robust capital structure, clear vision, good people. It's hard to fail if you have those in place. Conversely, the cultural diversity that I have encountered has been more challenging. I've been fortunate to work with many wonderful people from offices in Europe (Dublin, Berlin, Amsterdam, London and Luxembourg) and globally (Toronto, Sydney) all of whom bring their own national identities and prevailing work practices. Building organisational alignment across these different cultures can be challenging. At Adina, we operated over 3,500 apartments and employed over 700 people ranging from on-property operation colleagues to C-Suite colleagues. Ensuring everyone had the opportunity to contribute was a key focus and liberated some great initiatives across the business. We introduced a program called 'walk a day in my shoes' whereby colleagues from across the business would spend a day in the shoes of someone with a different role. I spent time working Hotel Reception and F&B at our Berlin hotels and learned so much about the needs of our guests and the daily challenges faced by colleagues.



If you weren't working in real estate, what would you be doing?

Sailing around the Med. Prior to joining the industry I spent a couple of years competing in some amazing races: ARC transatlantic, Cowes Week, Admirals Cup, Fastnet Race and Rolex Challenge. It's the ultimate team sport.

What are some of the challenges you faced when sailing, and what lessons from your sailing career have stayed with you throughout your professional life?

Some of the low points were getting stuck in a hurricane off the coast of Northern Spain, trying to remove a tangled net from the underside of the boat in the freezing north Atlantic, sitting on the rails at 3am in a stormy Fastnet getting soaked by the Irish Sea. But sailing is an amazing sport. Everyone has their role in the team and the boat won't function unless everyone is performing. For example, it's about 3,000 miles and it takes 10-12 days to race across the Atlantic. If we can work more effectively as a team and make the boat go 0.5 knots / hour faster than our competitors (which is not that much), we'll win the race by over 24 hours and 300 miles. Marginal gains make a huge difference over time, that was an important early lesson for me.

Who do you admire or has inspired you?

From a sporting perspective Ellen Macarthur. From a business perspective, I will always be grateful to 2 'Patrick's' who I got to know well during my time in Dublin and helped me in Ireland. Patrick Kennedy who was the former CEO of Paddy Power

WORDS OF WISDOM

What advice would you give to your younger self?

Say 'yes' to all opportunities, you never know where they will take you

If there was one business decision you could change from your career, what would it be and why?

I wouldn't change any. Naturally, some have been more successful than others but one learns more from failure than success and everything happens for a reason.

You've enjoyed a varied career, what advice would you give to someone wanting to transition out of a specialist asset class into something different?

Go for it! Most of the real estate skills you will have acquired are transferable and – if you encounter obstacles – you'll leverage your network or you'll figure it out. Being able to problem solve is far more important than knowing the right answer. In my experience a bigger impediment to real estate professionals working cross sector is employers more so than employees. I'm often approached by candidates who feel pigeon-holed and are finding it difficult to transition sectors.

and latterly Chairman of Bank of Ireland gave up a lot of time to help me establish myself and guided me through some stakeholder issues. The second was Pat Gunne, a great sounding board, always happy to give advice and probably the nicest guy in real estate.

What advice would you give to those settling into a new country and corporate environment?

Living and working abroad is such a formative experience, and I would encourage anyone that can to grab it with both hands. Working across cultures is not easy but it's incredibly rewarding and full of personal development. My advice is to immerse yourself in the opportunity: put down roots in your new community, learn the language, participate in local activities and enjoy everything your new environment has to offer. Respect the fact that you are new and may not have all the answers or appreciation of local nuance. No-one warns to the 'know it all' Brit that has turned up with all the answers.

How has London changed since you moved back as Head of Europe at Northwest Healthcare?

London is such an incredible city and remains the economic centre of Europe. It's the 'capital of capital' and that becomes very clear the more time one spends in other European cities. In terms of changes, it's sad to see the decline of Oxford Street dominated by tourist shops and candy stores. I hope it can reinvent itself as Regent Street did a decade ago under the stewardship of The Crown and Norges.

How have you seen DE&I in the workplace change in the last 5 years?

Tremendously. I see ever greater diversity in those entering the industry, which is great, although real estate still lags other sectors. There is far more diversity in the operating sectors in which I have worked (retail, hospitality and healthcare) than there is in real estate.

Work from home, work from office or hybrid?

Hybrid. I enjoy being in the office, collaborating with colleagues and building culture but appreciate the flex that hybrid working provides. It's the one major positive to come out of the pandemic.

If you had to pick your favourite hotel in the world which one would it be?

It's a great question but, having run hotel business, I can never now 'just be a guest.' I'm too curious about all facets of the operations although I'm quite good at getting the best rates and securing room upgrades now (yes, there are some insider tricks!). My two favourites are The Calile in Brisbane and The Caruso in Ravello. Adina Munich is also great – alpine views on one side, City views on the other and a secret rooftop. One for the readers to try during EXPO or Oktoberfest.

And if you could take one place from Berlin and move it back to London, what would it be?

893, a Japanese restaurant on Kantstrasse not far from where we lived. Graffitied and derelict on the outside, but high-end Japanese cuisine on the inside. Typical Berlin ■ ”

MARKET FOCUS

As a former retail specialist – where do you think the market has most potential as retail bounces back, post-Covid?

I started my career in Retail Parks and have always liked that asset class. Retail parks are simple, easy to build, quick to market and relatively straightforward to operate with low opex and G&A leakage. For the consumer, they offer a convenient shopping experience and are likely to remain a vital part of the UK retail infrastructure, in my view. Private equity has been quite active and, consequently, they have re-rated. I would expect prime shopping centres to now outperform as consumer confidence returns, cost of living pressures ease and retailers consolidate estates into a smaller number of larger flagship stores in the best, most profitable locations.

What has most surprised you about the healthcare industry?

I've been surprised at how analogue the sector remains. When I visit our assets, I am blown away by the technology and robotics used by our operator partners in surgical settings. However, this translated into customer related technology. Tele-health – interacting with patients in a digital setting – is still in its infancy and the patient journey remains very analogue. I see a huge opportunity for healthcare providers to drive operational efficiency and better patient outcomes using technology. The hospitality sector is a leader in this space.

Healthcare is one of the “newer” entrants to the alternative real estate market – where do you see its potential? What is healthcare's future?

The secular trends underpinning healthcare real estate are powerful; ageing populations, growth in chronic diseases and comorbidities, substantial patient waiting lists and

legacy public sector infrastructure, all of which are all driving demand for private healthcare (PMI & self-pay) and, in-turn, private healthcare real estate. It's a well-established asset class in North America and APAC but – for many reasons - is nascent in Europe. However, this is now changing – accelerated by Covid - as increasingly, public health authorities are turning to the private sector to provide new capacity. This is creating significant opportunities for Northwest and our capital partners. In terms of potential, we are constructive on our core markets and continue to favour core assets where barriers to entry are high, risk of substitution lower and where we can deploy our specialist skills and long track record. Going forward, we believe that healthcare delivery will become increasingly 'ambulant' as healthcare innovation and technological advancement will reduce length of stay and push more delivery in outpatient (MOB) settings.