

## **Avison Young's five-year mandate for growth**

CoStar News catches up with UK President to hear about group's ambitious global and UK plans



UK Principal Jason Sibthorpe (left) and CEO Mark Rose have just completed the AY Live presentation across 10 UK cities

Avison Young, the Canadian real estate adviser that notably bought GVA, one of the best-known names in UK consultancy last year, has been updating staff across its UK offices on ambitious plans for growth at its “AY live” tour. *CoStar News* caught up with UK President and Principal Jason Sibthorpe to see what the company has in its sights.

Avison Young’s acquisition of GVA from Swedish private equity group EQT last November created a company with 5,000 real estate professionals in 120 offices in Canada, the US, Mexico, the UK, Germany, Poland, Romania and Korea. The deal added 1,500 real estate professionals. Avison Young had made no secret of its ambitions to establish a comprehensive platform in the UK and has been building its offer here steadily since first entering in 2014.

In July of 2017 its chief executive officer Mark Rose announced it would be using a US\$190m preferred equity investment secured from Caisse de Depot et Placement du Quebec, Canada's second-largest pension fund manager, for global acquisitions that would include a major European real estate business.

At the end of 2017 it bought well regarded multi discipline Manchester agent WHR and in August 2018 it bought out-of-town retail specialist Wilkinson Williams. Helpfully both are areas that GVA had been seeking to beef up in in the UK.

The acquisition of GVA however put Avison Young in the major league in the UK overnight, taking its number of UK staff from 100 to 1600 and offices from four to 19.

Last week's acquisition of Völckers & Cie Immobilien GmbH Real Estate Advisors in Germany and a number of recent hires show the group has no intention of slowing down in the UK and Europe. And the group's recent AY live presentation by the executive team underlined this with the Board touting the platform created by having what they term the only true global partnership in real estate advisory.

Speaking to *CoStar News* and reflecting on the recent presentations to staff across the UK, Principal and President of the UK Jason Sibthorpe said: "Alongside Mark Rose and Simon Miller [COO] I have spent five days visiting 10 cities as part of our AY live presentation. What we are focused on as a business is how we grow globally from a Canadian \$1bn revenue business to a \$2bn one in the next five years. That will certainly involve European acquisitions, spearheaded by Gerry Hughes, but also a move into Asia."

In the UK Sibthorpe says the business has equally ambitious targets to grow the £190m annual turnover over the next five years.

"We are very strong regionally and we will continue to grow there where there are gaps, for instance we have recently hired an investment team in Glasgow.

"But a major focus will be in London capital markets. There is a strong possibility we will end up buying a business here to access a ready-made, significant platform. It will be a hybrid approach including some organic growth too."

Sibthorpe says Avison Young has no reason to pause while London's commercial real estate investment markets find their way through the uncertainty created by Brexit.

"If you look at how Avison Young grew in the US post the worst financial crisis in history the reality is these situations create an opportunity to escalate. That is our desire. We added a little American showbiz at our AY live sessions by adding a song used at our AGM in Nashville. Basically a reworked version of the *Impossible Dream*, changed to "reach the unreachable star". That is the goal."

Regionally Sibthorpe says there is not a part of the business it will not be growing where needed and in areas such as Leeds or Newcastle there are clear opportunities.

“We want to be the best in class, to allow people to elevate themselves and the business. The structure means there is an 180 degree shift in the business now that means all teams have the ability, responsibility and accountability to come forward and say this is how we can and need to grow. We are really reigniting the partnership that was part of GVA for so long.”

And it is this that means Avison Young has the tools in place for its ambitious growth plans, Sibthorpe says.

“Those tools are the capital and the structure that means people want to be part of the Avison Young story. It is about creating seamless and intelligent symbiosis between the operational and production elements of the business; building in research, in innovation, in technology and marketing and comms too.”

Sibthorpe says there are opportunities to grow even in his old stomping ground, the struggling retail sector.

“Retail is a huge opportunity, but more aligned with our ability with all of our skills and relationships with the public sector to help assets repurpose.”

Ultimately Sibthorpe says the culture is right for growth.

Last week, CEO Mark Rose, who *CoStar News* revealed at MIPIM was spending a year in the UK getting to know the business, hosted an Independence Day barbecue for some Avison Young staff at his London house, as one of many initiatives to get to know UK staff better. Sibthorpe flipped burgers dressed in a Stars and Stripes outfit while Rose donned a Union Jack apron.

“There is a great culture here from the top down. But it is all very well speaking about it, you need to do it too. We need to enhance our offer to meet how our clients’ needs are changing. We need a compelling story as real estate becomes more commoditised.”

Vital, Sibthorpe says, will be bringing in people that have not traditionally looked to careers in real estate.

“It is about greater diversity. Equally, it is about encouraging people across the business to have more commercial acumen, developing people to have the skills in their particular areas but also to have a financial perspective.”