



INTERVIEW

NICK COOK

THE MARKET

THE WEEK

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THE YOUNG AND THE RESTLESS

With the backing of Canadian firm Avison Young, Haywards founder Nick Cook is ready to grow the company exponentially. By Joanna Bourke. Photography by Tom Campbell

Seven years ago Avison Young had a decision to make. Should it expand in the UK or concentrate on growth in North America and its home country of Canada? The real estate adviser and investment company chose North America. But earlier this month, after a year of negotiations, it finally made its move in the UK, buying South East specialist Haywards.

And while the Canadians' buy may only be small – Haywards has a turnover of just £2.5m pa – it has big ambitions for the UK, targeting a £250m pa turnover by 2019.

But how does Avison Young hope to achieve that growth?

Starting life in 2009 as the product of a merger of four separately owned companies trading in British Columbia, Alberta, Ontario and Quebec, Avison Young headquartered itself in Toronto. By the end of its first year of trading the company was turning over C\$40m (£23.9m), by the end of this year it expects to hit C\$200m. Growth has been achieved by expanding in the US, adding 40 offices to its 15 offices in Canada.

The firm has grown from 11 offices with 3000 staff to 57 offices and 15,000 staff. Chief executive Mark Rose is confident the same can be replicated in the UK.

"US expansion was driven by client demand," says Rose. "Our client base was predominantly North American and so we opted to expand in the US

first. We wrote the strategy in 2007-08, predicting global dislocations and a declining market. We had the correct crystal ball and were never worried about the global downturn."

He adds: "Our firm's strategy has always been to use London and the UK as a launch pad into Europe and as a place to service assignments emanating from North America. We wanted to establish our foothold with established industry leaders that have the necessary

experience, knowledge and business relations to guide us in the region."

And that is why he chose to buy Haywards, which will now trade as Avison Young. While many overseas agents looking to expand in the UK may choose to tie up with central London specialists, Avison Young was wise to the growth

potential of the South East.

Nick Cook, founding partner of Haywards and now managing director of London and Thames Valley offices of Avison Young, says: "London and the South East offers an exciting time for us, particularly in the occupier market."

Between 2014 and 2016 we will see a perfect storm. We have low rates of vacancy and total occupancy costs rising at a phenomenal rate."

He adds: "Lots of companies based in London may well have

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to rethink their business models if they want to maintain their margins. One option is to relocate to cheaper places where salaries, housing, commuting and property costs are lower.

"The other option is to consider alternative work styles, improved space utilisation and better

procurement of leases. I believe Avison Young is now perfectly positioned to help clients think through these issues."

The backing of the Canadian firm will also help the UK arm get a slice of the increasingly competitive British office investment market, says Cook.

"We continue to see billions of dollars and yen circulate the UK market as a safe place to invest," he says, "and we will try and take advantage of that."

But both Cook and Rose are aware that to achieve a 20-fold

increase on turnover in just five years there will need to be more than just organic growth.

Haywards will not be Avison Young's only UK acquisition. Rose confirms that a raft of potential buys are on the horizon. "We are in conversations with many other companies already," says Rose, refusing to divulge more.

Cook adds: "The UK commercial property scene is about to be a whole lot wider in terms of ownership. There will be further consolidation and not just fuelled by Canadians. I predict there will be a wave of mergers, acquisitions and small start-ups. The market is ready to be disrupted."

And Avison Young is adamant that it is a force that could be behind some of that disruption. The market will watch eagerly to see if that disruption translates into £50m of annual revenue.

AT A GLANCE

AVISON YOUNG
 FOUNDED: 2009
 OFFICES: 56
 STAFF: 1,500
 REVENUES: C\$30m
CEO MARK ROSE, CHIEF EXECUTIVE
 1997 - chief executive of semi-public REIT Pan-American Properties
 1995 - chief operating officer, Americas, JLL
 2005 - chief executive, Grubb & Ellis Company
 2008 - joins Avison Young

HAYWARDS
 FOUNDED: 1992
 OFFICES: 2
 STAFF: 70
 REVENUES: £2.5m
CEO NICK COOK, CHIEF EXECUTIVE
 FOUNDED PARTNER
 1976 - began career as a scientist
 1981 - joined Hillier Parker, which later merged with Richard Ellis
 1987 - moved to Swire
 1992 - founded Haywards