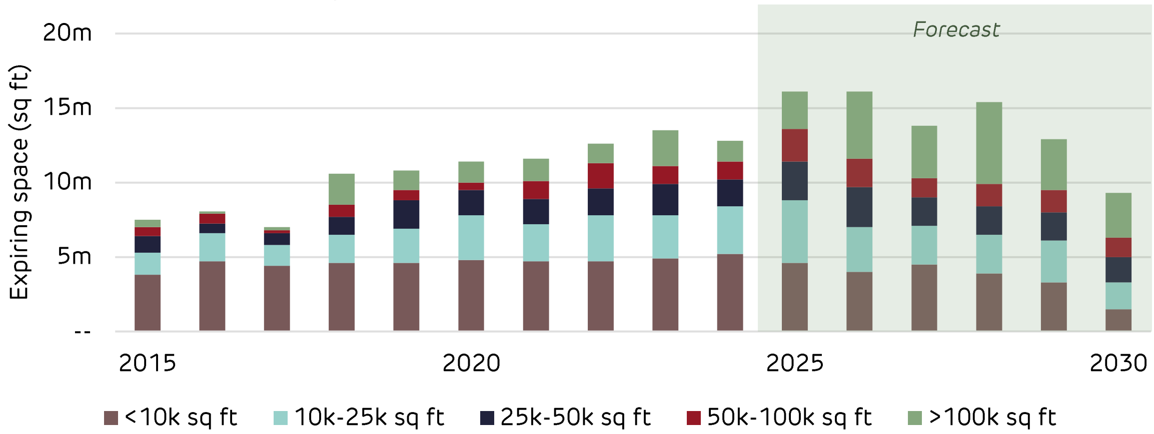
18 July 2025

STICKY TENANTS

Recent analysis by CoStar finds that 2025 and 2026 are expected to be big years for office lease expiries in London. In all, the analytics firm expects around 32 million square feet of leased space to return to the market, with another 50 million square feet coming in the remaining years to 2030.

As lease expiries mount across London, we expect to see occupiers in areas like Hammersmith or Stratford begin to search for space in more central locations like Liverpool Street and Bank, which have performed well post-2020 due to their centrality. This, in turn, will concentrate the market geographically, and it's quite possible that there will not be enough supply to meet demand. We therefore expect potential occupiers and movers to be pulled in one of a few directions.

Figure 1: Best if used before expiry date[1]



One option is that occupiers could simply pay up for prime spaces in Central London. As we've discussed many times before, prime rents in the City and West End have shown remarkable growth over the past few years as enterprises invest in top quality spaces to attract and retain talent. However, as prime rents push past £100 psf, we recognise that this option may only be for large, blue-chip, multinational firms with a strong commitment to in-person working. Companies in banking, finance, and the legal sector are key occupiers for this market.

Another option for occupiers seeking value might be to consider less competitive locations. For example, Lego, PayPal, and ad agency WPP took space on the south bank of the Thames earlier this year, which might suggest a growing willingness to consider peripheral locations. We think it's important to note that these companies are in the creative and technology industries. It's less likely that finance or legal firms would be as willing to give up the prestige of a City office for a spot near London Bridge. A more extreme case might be Puma's decision to relocate its UK headquarters from Waterloo to Circle Square in Manchester.

There might be one more option for tenants who currently occupy space in prime locations but are facing lease expiries soon: do nothing.

While the desire to shop around is inescapable, the rapid growth of rental and operating costs for offices in London ought to give existing occupiers pause. It may be easier and cheaper to continue enjoying the benefits of a prime location – even in a non-prime building – than it is to uproot.

[1] CoStar

Castleforge
22-24 Torrington Place, London WC1E 7HJ | +44 207 637 4335 | info@castleforge.com

One way to consider this is by looking at how fitout costs have changed over the past decade. Tenants in London are especially aware of this, as occupiers generally pay for fitouts themselves. In 2014, fitting out space in London cost between £100 and £150 psf. In 2024, that range grew to £200-£300 psf - an increase of around 50% increase after adjusting for inflation. This means that a fitout of 20,000 square feet would go from around £3 million to an upfront commitment of as much as £6 million.[2]

Beyond fitout expenses, business rates represent another substantial cost pressure influencing occupiers' lease renewal decisions. The impending 2026 business rates revaluation, based on rental values as of April 2024 rather than 2021, is expected to increase rate liabilities by 35-47% across London's prime office markets, according to analysis by Cushman & Wakefield. As we've noted before, prime office rents have seen the majority of growth over the past five years, which suggests that grade A-/B+ offices might provide most of the amenities as best-in-class spaces while avoiding some of the pain of higher business rates. These forces incentivise tenants to remain in their current locations, even in non-prime buildings, rather than face the many burdens of relocation.

We can also consider the impact of higher lease renewal probability from an investor's perspective. By modelling a multi-tenanted building leased at market rents, we find that simply changing the probability of renewal from 25% to 75% raises unlevered IRRs by 50-100 bps, increases NOI over a 10-year period by 10-15%, and reduces tenant incentive and irrecoverable operational expenses by 50%. These saved expenses amount to around 10% of the original purchase price of the building. For core investors, that's huge.

It's a big deal for the broader narrative surrounding offices, too. A few years ago, offices were uninvestable. Then, a carveout was granted for best-of-the-best spaces for the small portion of businesses who were early to resume in-person working. As competition heats up for space in prime, well-connected locations and new construction hits a 10-year low, we're now seeing the carveout expand to A-/B+ spaces, leading Bisnow to report, "The London Office Market is Back, Baby".

While we're glad that the narrative is shifting, we can't help but wonder whether it was accurate in the first place. We'll be covering that topic in an upcoming paper.

ICYMI: CALL US MAYBE?

Bloomberg recently covered how large banks have may have underestimated how much space they'd need for employees as RTO mandates kick in, which is creating competition for offices across London. The article also featured our unorthodox marketing strategies for 75 London Wall.

Check out the article here: HSBC, JPMorgan Struggle With Desk Shortages For London Office Staff (Requires subscription)

UK PBSA: MORE RESILIENT THAN YOU THINK

We think that now could be an extremely interesting time for the UK purpose-built student accommodation (PBSA) market. The core demand drivers have been well established at this point (including by us). In short, the argument goes that the UK has seen massive growth in international student populations, and this puts pressure on universities and private providers to provide housing. Students from wealthy backgrounds (and especially those domiciled internationally) have therefore been driving up demand for purpose-built student accommodation across the UK. The sector has

[2] Cushman & Wakefield. Both figures in 2024 GBP.

seen especially strong rental growth and low vacancy over the past five years as British universities recruited heavily from Asian and African countries.

This performance has drawn massive amounts of institutional investment into the PBSA market, with firms like Goldman Sachs, Apollo, and Brookfield getting involved in recent years. Blackstone is active in the sector too, as seen through their acquisition of the defunct Roots in the Sky office project in Southwark last December, which will be turned into accommodation under the IQ Student brand.

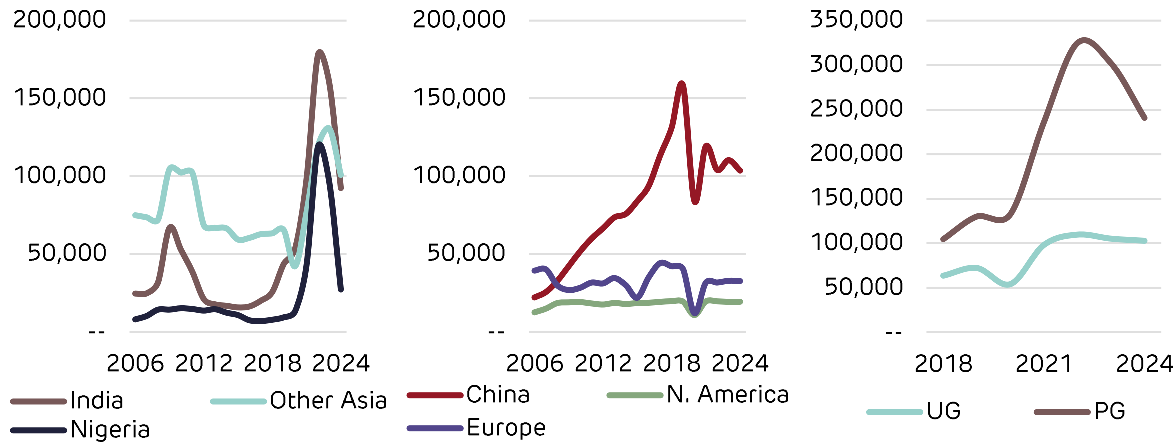
UK PBSA opportunities on the market[3]			
Seller	*Estimated value*	*Beds | Assets*	*Note*
Apollo	£600m portfolio	4,200 beds | 8 assets	Acquired by QuadReal
Mapletree	£450m portfolio	4,844 beds | 24 assets	
Sanctuary Housing	£400m+ portfolio	5,500 beds | 21 assets	Acquired by Global Student Accommodation
EQT Exeter	£400m UK student portfolio	2,300 beds | 6 assets	
Fusion	£450m development sites	Planning consent for 2,400 beds across 4 sites	
Brookfield	£150m portfolio	900 beds | 4 assets	
Lone Star Funds	£100m Cardiff asset	675 beds | 1 asset	
Unite	£212m portfolio	3,656 beds | 9 assets	Acquired by Lone Star Funds

We'd be remiss, however, if we didn't mention the recent data regarding international student migration to the UK. Issuances of study visas to international students have fallen by around 20% since 2023. Demand from India and Nigeria has been hit especially hard by restrictions on the issuance of dependant visas and foreign exchange concerns.[4] Moreover, the latest Immigration White Paper, released by the UK Home Office in May, notes that the government is considering imposing a levy on international students, which would further reduce demand. This news, along with the slower-than-usual reservation rate earlier this year for Unite Students, which operates around 70,000 beds across the UK, may cause investors to question the sector's future growth potential.

Despite this news, we remain confident in the long-term potential of PBSA across the UK. One reason for this is because immigration data shows us that falling student numbers have been concentrated among populations that were unlikely to drive demand for premium PBSA offerings in the first place. Some of the steepest drops correspond to nationalities that are more likely to 1) apply for dependant visas and 2) spend less than £500 per month on accommodation.[5] Such populations are more likely to choose non-PBSA options, such as HMOs or university-subsidised accommodation. The data also shows that postgrad (PG) student migration has been affected more than undergraduates (UG), as seen on the rightmost chart below. PG students tend to be older and are more likely to have dependant spouses or children, making them less likely to choose PBSA.[6]

[3] All entries and value estimations come from Green Street News
[4] UK Home Office
[5] UK Home Office
[6] PwC

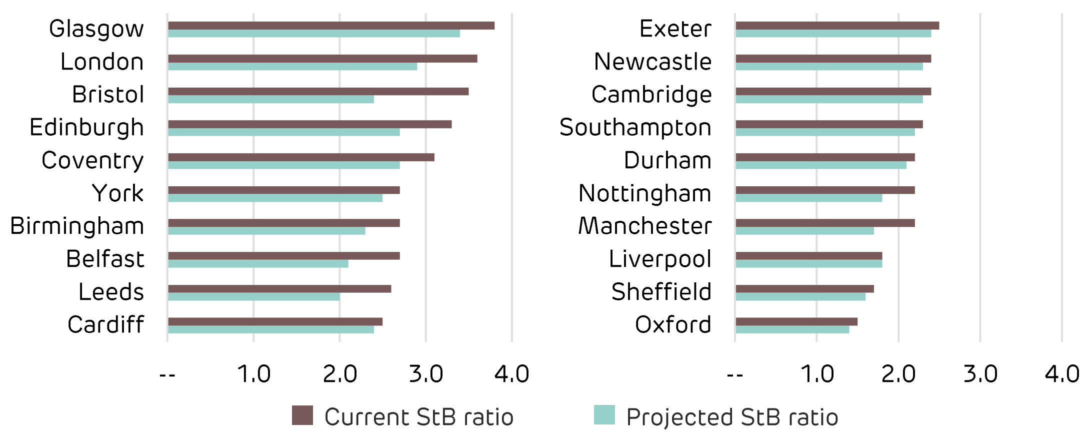
Figure 2: Study visa issuances by nationality of applicant and level of study[7]



Indeed, the main driver of growth in the PBSA market has generally been undergraduates from middle- or upper- income countries (especially China), and these numbers haven't changed nearly as much as the average. While inbound numbers from China are slightly lower than they were in 2023, they remain high relative to pre-2020 averages, and there seems to be considerable upside potential for growth from the US and EU.

Meanwhile, the fundamentals for quality PBSA assets remain compelling. The population of UK-domiciled 18-year-olds is expected to grow until the mid-2030s, providing a stable foundation for demand.[8] Student-to-bed ratios are also likely to remain above 1.5 in key university cities due to persistent planning constraints and high construction costs. We therefore expect high-quality, stabilised assets to continue performing well. Such assets will likely be associated with prestigious, financially-sound universities in locations that attract a diverse set of student populations.

Figure 3: Current and projected student-to-bed (StB) ratios across key UK cities[9]



We also note that the UK's position in the global education market is strengthening relative to its main competitors as Canada and Australia take steps to restrict international student migration – to say nothing of the US government outright banning international students from attending Harvard! While we can't be certain on the outcome of the Scottish Housing Bill and which proposals of the Immigration White Paper will pass, we note that the UK has a unique opportunity to capture a highly

---

7 UK Home Office
8 HEPI
9 Savills (Apr-24). Projected StB ratio refers to value after current pipeline is delivered.

valuable population of international students who have historically brought tens of billions of pounds into the domestic economy. Amidst ongoing fiscal challenges, policymakers must not let this opportunity go to waste.

Ultimately, we observe that the UK PBSA market is shifting from an expansionary stage to one of more steady expansion. We expect that persistent supply and demand imbalances will support regular rental growth and be key in attracting core and core-plus capital that has yet to return to the wider real estate market. In the near-term, policy uncertainty might temporarily reduce competition among investors for existing assets, leaving immense potential for those who are ready to act.

AFTER EXCEPTIONALISM: FINANCE AND THE RETURN OF MULTIPOLARITY

When Mercer Real Estate Partners was founded in 2010, the US and EU had similar GDP per capita, and investors regarded both as pillars of global economic stability and growth. In the 15 years since then, a lot has changed. Mercer rebranded to Castleforge, the UK left the EU, and the US economy far outpaced its counterpart across the Atlantic. The divergence is perhaps most easily seen in terms of GDP and broad equity market returns over the period, where indexed measures of growth point toward a divergence sometime around 2010.

Figure 5: Indexed GDP growth between the US, UK, and EU by era[10]

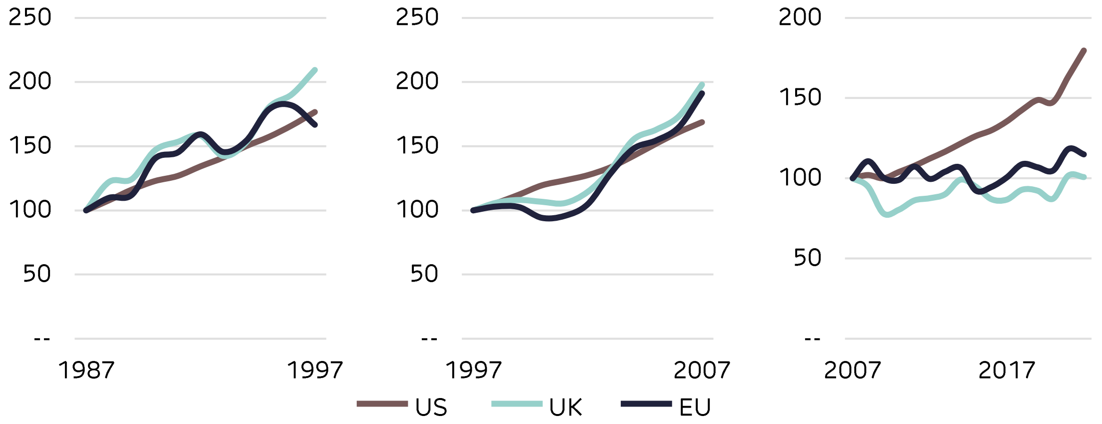
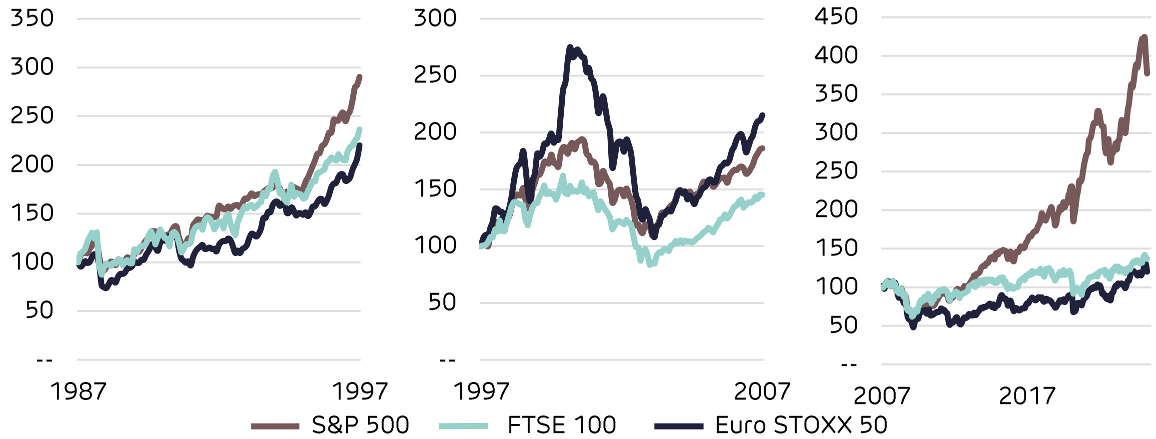


Figure 6: Indexed equity market growth between the US, UK, and Eurozone by era[11]

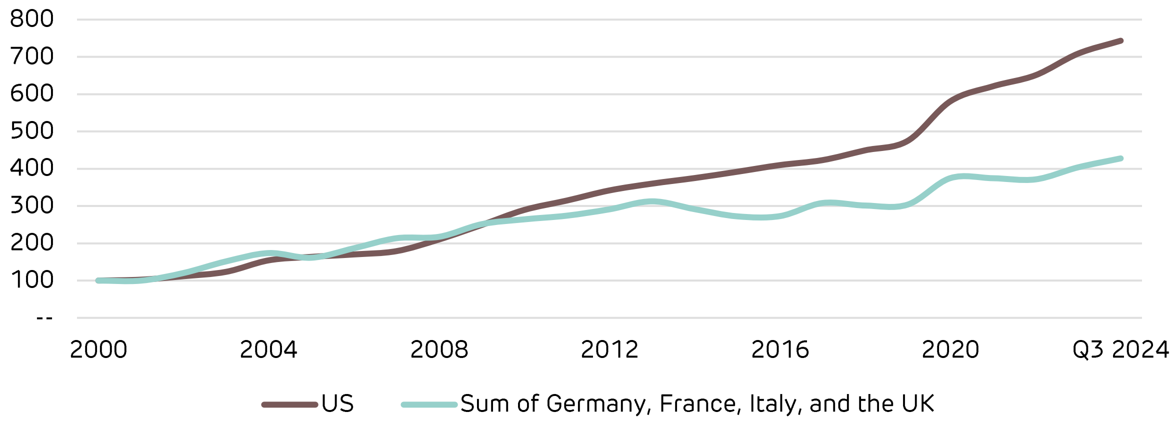


[10] World Bank
[11] Eurostat, ONS, Investing.com

The global investment paradigm that emerged in the years following 2010 was driven by three fundamental factors that created an unprecedented environment for capital allocation. Open trade policies facilitated the free movement of goods and services across borders, creating integrated global supply chains that maximised efficiency. Simultaneously, central banks maintained extraordinarily low interest rates in response to the Global Financial Crisis, making capital abundant and cheap. Perhaps most crucially, the United States offered uniquely large accessible capital markets that could absorb vast amounts of international investment.

As a result of these converging factors, the United States was able to absorb global savings and borrow at low costs, experiencing substantial growth in sectors like technology, where cheap debt enabled investors to bet on disruptive technologies. However, there were significant downsides that investors tended to overlook, influenced by the "US exceptionalism" narrative that gained traction during this era. The American economy ran persistent current account deficits as it became the global "consumer of last resort", amounting over time to an unsustainable debt trajectory. Inequality and political polarisation also grew markedly, creating uncertainty about policy continuity and introducing new forms of investment risk for international investors.

Figure 7: Indexed growth of outstanding general government debt securities[12]



The cracks in these three pillars of American exceptionalism have been difficult to ignore recently, threatening the country's status as a global safe haven for investment. Open trade is facing severe headwinds as the Covid-induced shutdown of international shipping transitioned into the current trade war. As a result, countries and businesses are prioritising supply chain resilience and redundancy over pure efficiency. Interest rates, meanwhile, are unlikely to return to the ultralow levels seen in the wake of the Global Financial Crisis, as we've discussed in previous letters. Finally, US political volatility and debt pressures cast doubt on the future openness of the country's capital markets as the Washington struggles to find a way to deal with the growing national debt.

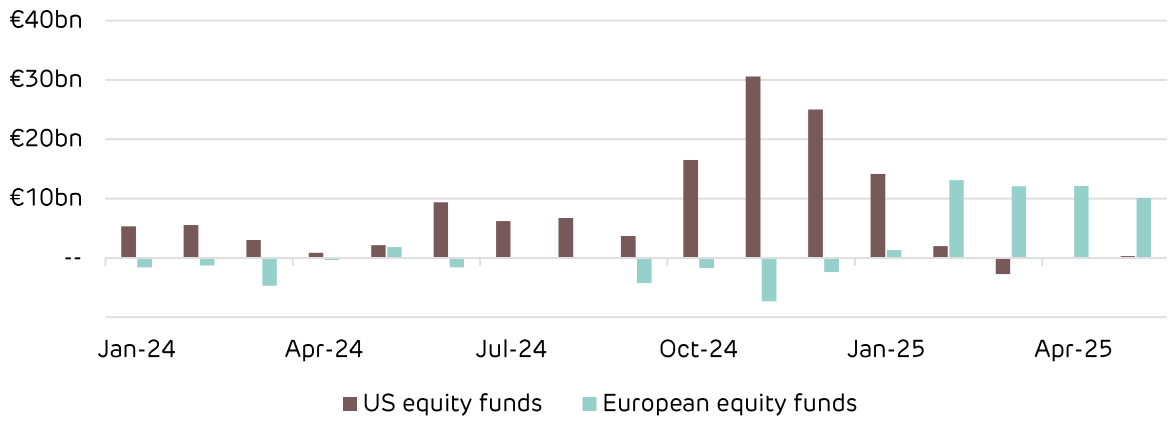
Some indicators suggest that a shift may already be underway. Ex-US ETF inflows have increased and US equity markets have underperformed European counterparts in 2025, though whether this represents temporary fluctuation or sustained trend remains unclear.[13] The Dollar has also weakened against major currencies, Moody's downgraded the US sovereign credit rating, and bond yields have risen as questions emerge about America's safe haven status. Yet, there's still more room for the global investment landscape to evolve. The US has threatened to delist Chinese stocks from American exchanges and impose a "revenge tax" on foreign investors from countries deemed to be trading

[12] Bank for International Settlements via Statista
[13] Morningstar

unfairly with the US. This goes to show that while some of the rhetoric around the trade war has calmed down since April, international investors must remain vigilant regarding America's exceptional unpredictability this year.

The Atlantic Council, an international affairs think tank, argued the importance of finding alternatives to US Treasurys, but notes that no asset class yet provides the scale or liquidity provided by American sovereign bonds. Consequently, global investors may be encouraged to seek diversification instead, and Europe is one of the top candidates to secure safe assets due to the continent's commitments to openness and fiscal discipline. We already see such a trend occurring with global equity fund flows, where inflows to European ETFs have grown rapidly in the wake of American hostility. Speaking on the trend, a Blackstone executive described the difference across the Atlantic, saying "Governments are relatively stable here. Shifting money to Europe is certainly not a bad bet."

Figure 8: US vs Europe: Equity Fund Monthly Net Flows[14]



The quote, "God has a special providence for fools, drunkards, and the United States of America," is often attributed to Otto von Bismarck. In the years following the Global Financial Crisis, investors may have conflated America's genuine strengths – demographic dynamism, institutional credibility, and market transparency – with providence itself. This ultimately led to an immense concentration of global investment into a single country. Though the United States will remain a dominant economic force, there are growing signs that investors are questioning long-held assumptions about unlimited US credibility and excessive portfolio concentration in American assets, which we think will ultimately develop into a more multipolar financial world.

WAS GUTENBERG A TECH BRO?

OpenAI has emerged as one of the most recognizable companies in the world from relative obscurity just a few years ago. In April, the firm successfully raised $40 billion from investors in what is the largest funding round ever for a private tech company. With its public interest and high valuations, OpenAI likely faces little difficulty in attracting the world's leading experts in AI and computer science to join its ranks. It surprised us to learn, then, that despite the massive amounts of brainpower (artificial and otherwise) at its disposal, OpenAI is actually losing money on its $200-per-month ChatGPT Pro subscription tier. Perhaps the firm is taking no chances, then, as it (allegedly) develops AI models with PhD-level intelligence for $20,000 per month for enterprise customers.

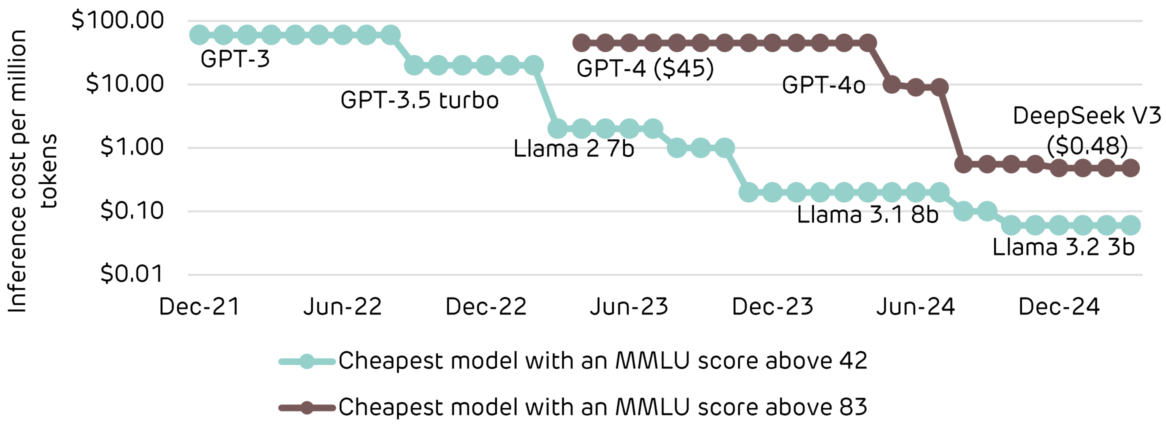
This revelation highlights fundamental business viability concerns that extend beyond OpenAI to the entire ecosystem of closed-source AI model developers, including Anthropic and Google Gemini.

[14] Morningstar

While these companies regularly deliver impressive technical achievements, it remains to be seen whether they will be able to recoup their massive investments.

One key challenge facing these AI pioneers is the commoditization of their core technologies. Rival open-source products like DeepSeek have dramatically reduced inference costs while delivering comparable performance levels – essentially providing similar products at a lower cost to the consumer. Andreessen Horowitz has used the phrase "LLMflation" to describe this phenomenon, noting that inference prices have plummeted nearly 100-fold in just a few years as developers use algorithmic and hardware improvements to drive down the cost of running highly capable AI models.

Figure 4: LLMflation[15]



This dynamic mirrors a historical precedent from 600 years ago in Europe's printing industry. Before the invention of Gutenberg's printing press, book production was a low-volume, labour-intensive craft where only valuable texts like Latin Bibles justified the expense of hand scribing. The printing press revolutionized the industry by dramatically reducing production costs, though it required substantial upfront capital investments in presses and typesets. As Ben Thompson observes in *Stratechery*, this shift forced print shops to prioritize scale over exclusivity. This in turn prompted printers to publish works that would appeal to a growing market of literate readers, such as vernacular religious texts, scientific treatises, and even documents about witch hunting.[16]

The generative AI market appears to be following a similar trajectory. In the face of falling inference costs, 2025 has been the year of integrating AI into *everything*, with developers throwing their tech at every wall to see what sticks. For example, Google made 100 announcements at its latest I/O developer conference, 70 of which included the words "AI" or "Gemini". Microsoft, meanwhile, has started to add dedicated AI keys to Windows laptops, and Meta is integrating its Llama models into the massively popular WhatsApp and Facebook Messenger platforms.

This expansion strategy suggests that, despite how often tech bros talk of "disruption", the AI market may end up looking a lot like Web 2.0 and the printing revolution, where companies succeeded by scaling their products to as many customers as possible rather than chasing higher value per sale. Developers may increasingly offer free AI-enhanced products supported by advertising revenue, creating enormous demand for inference capacity while potentially undermining subscription-based business models.

How then, should investors respond to this trend? Investing in AI model developers is a challenging proposition. The field evolves too rapidly to predict which companies will maintain their current

[15] Andreessen Horowitz and Artificial Analysis. MMLU scores are a benchmark of multidisciplinary knowledge.
[16] *Nexus* by Yuval Noah Harari.

advantages. Indeed Mary Meeker, one of the most well-respected investors of the internet age, highlighted the dangers faced by existing AI firms from cheaper competitors and the challenges of picking winners as the market fluctuates, saying "In the short term, it's hard to ignore that the economics of general-purpose LLMs look like commodity businesses with venture-scale burn."

We therefore believe that a more compelling investment thesis focuses on data centres, which are fundamental to enabling the AI boom while remaining agnostic to specific hardware or models. As AI applications spread and inference demands skyrocket, the need for robust, scalable computing infrastructure will only intensify. Unlike the companies building models or designing chips, data centre operators benefit from the ecosystem's growth while facing comparatively less risk from new substitutes. Why try to pick out a single print shop when you can invest in paper instead?

Such thinking guided our acquisition of the Redhill Data Centre, located just 20 miles outside of Central London. What drew us to the opportunity is its power availability, with the asset benefiting from 20 MVA of live power allocation and a pathway to reaching 28.5 MVA in the next few years. As demand for low-latency deployment capacity rises, we expect Redhill to attract a lot of attention regardless of which developer currently holds the crown for best model.

THE HISTORY OF BEER AND HUMAN HEALTH

Castleforge team members are spoiled for choice when they want to "have a pint" after work. On a warm summer evening in Fitzrovia when the sun is up until nearly 10pm, one can pick between over 30 pubs within walking distance of our office.

In the 20 years since Mike has moved to London, he's learned a lot about how important these spaces are to the culture of the city. They are places of leisure, gathering points for many local communities, and where a lot of business in the London real estate industry gets done. It's something that just doesn't translate outside of the UK – Mike's father was speechless when he heard that his 4-year-old grandson goes to the pub after every Saturday football practice and, what's more, orders by himself at the bar (and gets served!).

Having a drink with the team recently got Mike thinking about the history of alcohol and its effects on human society – especially in terms of health.[17] The scientific consensus today is that alcohol is unambiguously unhealthy, yet it seems like beer has been a staple of diets throughout much of history. Indeed, some scholars have even argued that alcohol may have been more of an impetus for the First Agricultural Revolution than bread was 12,000 years ago.

While the validity of the "beer before bread" hypothesis remains up for debate, what does seem clear is that ancient civilisations considered access to beer a serious matter. One of the oldest existing examples of writing is a cuneiform tablet from ancient Mesopotamia noting daily rations for workers, which included beer. Given how limited literacy was, it's telling that early civilisations thought that access to beer was a topic worth writing down. Admittedly, the word "beer" may be misleading. It's possible that what was being served was more like a gruel or porridge, with an alcohol content low enough that workers could drink (or eat) all day without getting hammered.[18] Maybe WeWork was onto something by putting beer taps in their offices...

[17] If you haven't realised already, he's a bit of a nerd.
[18] Kelly, Jared. "An Ancient Elixir: Beer in Sumer." *International Social Science Review* 95, no. 3 (2019): 1–16.
[18] Braidwood et al. (1953).

Aside from being a useful source of calories, beer could, under certain conditions, be safer than water. The brewing process involves boiling water, and fermentation produces ethanol – both of which kill harmful microbes. This was a boon when access to clean freshwater was limited, such as when travelling by sea. It's likely that maritime powers throughout history (including the British Empire) would not have extended as far as they did without ample supplies of beer, wine, rum, or other alcoholic drinks to sustain sailors on long voyages.

On land, beer was also likely a healthier alternative to water in cities during the Industrial Revolution. In the absence of adequate sewage systems or regulations to control runoff, industrial processes could quickly pollute freshwater sources in places like London or Birmingham – which would make beer a healthier choice. Indeed, a 2024 study found that communities in 18th Century England with poor water quality tended to have worse health outcomes when access to beer was restricted.[19] While alternatives like tea or coffee could have also been safe drinks, the authors note that such options were too expensive for most people, further cementing beer's role in English society.

It's possible that the cities of the Industrial Revolution saw beer's mix of calories and relatively low alcohol content as a necessity to keep people productive. Distilled drinks, which lacked these qualities, were therefore unsuitable for the common man. To illustrate the dichotomy, satirist and cartoonist William Hogarth published *Beer Street* and *Gin Lane*, two prints showing what a society looked like when it ran on beer as opposed to when it relied on spirits. As shown below, the denizens of *Beer Street* are industrious and convivial, while those of *Gin Lane* are depraved and immoral. Beer's benefits are extolled at the bottom of the print, which reads "Genius of Health, thy grateful Taste Rivals the Cup of Jove / And warms each English generous Breast With Liberty and Love."

Figure 9: Beer Street (left) and Gin Lane (right)[20]

Hogarth's work is in some ways a precursor to temperance and prohibition movements that would emerge in the UK and US in later years. As human health improved through scientific advancements such as germ theory, people may have been less willing to tolerate the downsides of chronic alcohol consumption. As such, popular campaigns emerged against social ills such as alcoholism. Efforts for

[19] Antman, Francisca M., and James M. Flynn. "When Beer Is Safer than Water: Beer Availability and Mortality from Waterborne Illnesses." IZA - Institute of Labor Economics, 2024.
[20] The Metropolitan Museum of Art via JSTOR

change were most successful during the American Progressive Era, when the manufacture, sale, and distribution of alcohol was banned under the 18th Amendment in 1919.

The measures didn't stick. After years of bootlegging and contraband alcohol trade, Prohibition was repealed through the 21st Amendment in 1933 and American drinking culture returned to public life. Yet, society's understanding of alcohol and health continued to evolve. Today, Gen-Z (born between 1997 and 2012) seems less interested in alcohol than prior generations. In a survey of British adults, 22% of 18-24 year olds reported never drinking alcohol, compared to only 15% of people aged 60+ reporting the same. Similar trends seem to be appearing across other Western countries, with younger people either drinking less than their predecessors or not drinking at all.[21]

Gen-Z's distancing itself from pub culture may be a consequence of a growing interest in keeping healthy. Gen-Z is indeed spending more than previous generations did on gym memberships and beauty/lifestyle purchases. Moreover, a 2022 survey conducted by PwC found that British people are now more likely to value spending time at home, exercising, and going to restaurants and cafes than going to pubs.[22]

Shifting attitudes toward alcohol might contribute to the ongoing trend of pubs closing down in Britain. Since 2001, the number of pubs in the United Kingdom has fallen from 52,500 to 38,165 (a drop of around 25%), and around 400 pubs closed in 2024 alone. By contrast, the UK's population has grown by 16% since 2001.[23]

The decline of pub culture in Britain could have noticeable social impacts. Pubs are an example of what sociologist Ray Oldenburg called "third places" – locations where people can socialise that are neither homes (first places) nor workplaces (second places). Crucially, third places are open to everyone, and people are generally welcome to linger and socialise without having to pay much. As such, Oldenburg argues that these sites are key to building and strengthening communities through regular social interaction.

Today, the UK and other countries are grappling with rising rates of reported loneliness. Perhaps the shakeup in societal places is related. On one hand, people are working from home more often, which reduces opportunities for interaction in second places like offices. Traditional third places, meanwhile, haven't found a way to cater to shifting demands of young people. These trends push people to spend more time at home, ultimately leading to widespread feelings of social isolation.

It's therefore possible that the third places of the 2020s and 2030s may not resemble the common haunts of prior decades. Pubs may need to adapt to a more health-conscious demographic looking for non-alcoholic options. Other types of real estate must adapt too, as we see in the office market where best-in-class assets advertise access to gyms and outdoor space.

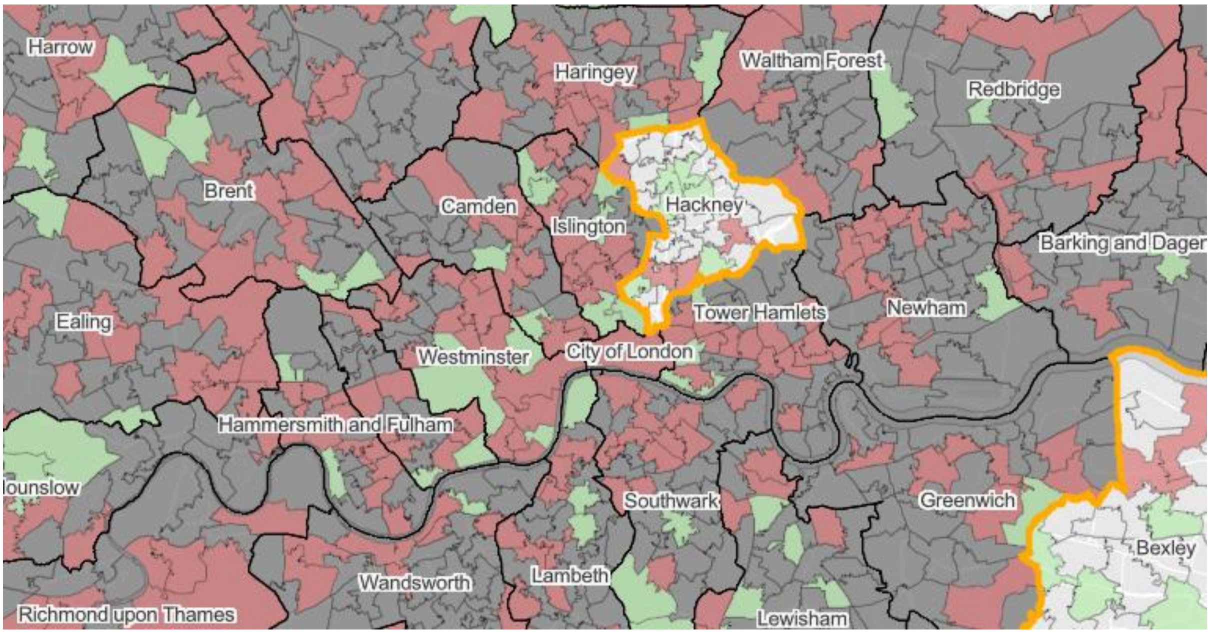
For now, it looks London's supply of pubs is stable, holding steady at around 3,500 since 2017. Effects differ by area, with the City of London and Westminster losing 28% and 16% of their pubs between 2001 and 2024, respectively. Hackney saw growth of around 32%, with much of this occurring between 2001 and 2018. This growth may be connected to the borough's many millennial-friendly neighbourhoods – which we wrote about in 2017.

[21] YouGov, BBC Worklife

[22] McKinsey, PwC

[23] London Pubs Audit via ONS, World Bank

Figure 10: Net change in number of pubs across Central London, 2001-2024[24]



Middle Layer Super Output Areas (MSOAs) which have more pubs than they did in 2001 are shaded green. Those which have fewer are shaded red. Hackney (+32%) and Bexley (<+5%) are the only London boroughs that have had a net increase in pubs since 2001.

Gathered outside of a nearby pub, the Castleforge Crew probably isn't thinking about how they're engaging in a practice that has spanned millennia. While they may not realize it, this simple after-work ritual reflects broader societal patterns that should be understood. Real estate is fundamentally about putting people in places that meet their current needs, and that can't be done without first knowing what requirements people have in the first place. The needs of early agriculturalists, Mesopotamian labourers, seafarers, factory workers in the Industrial Revolution, and investment management professionals are fundamentally the same – we all seek good health and social interaction. The ways we meet those needs change over time, however, and that impacts the real estate we inhabit. Such thinking informs the way we invest in, develop, and operate real estate assets for our investors.

Michael Kovacs | Adam MacLeod | Mathew Chemplayil

[24] Castleforge Analysis based on ONS data.