

MORE TALK OF MERGERS • ENTREPRENEURSHIP OASIS

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# Forbes Middle East



## AN ENDURING EVOLUTION

MOROCCAN BANK ATTIJARIWAFI,  
AND ITS CO-CEO ISMAIL DOURI,  
FOLLOW AN AMBITIOUS  
GROWTH STRATEGY

### PLUS

BADER NASSER  
AL KHARAFI

## A NEW VISION

KIPCO  
HOLDING  
STEADY

THE BILLIONAIRES  
HEADING OUR TOP  
COMPANIES

# 100

TOP  
COMPANIES  
IN THE ARAB  
WORLD

OTHERS.....\$8 QATAR.....QAR 30 OMAN.....OMR 3 BAHRAIN.....BAHRAIN 3 SAUDI ARABIA.....SAR 30 U.A.E.....AED 30



# A WINNING DEAL

Azeemeh Zaheer founded her firm Naissance Capital Real Estate Ltd just 14 months ago but today she is managing circa £100M with a pipeline of another £70M expected to close this year. Zaheer talks of her journey in crafting her firm and the growth she envisions for it.

## **What was the motivation behind starting your own firm?**

When I resigned from the world of investment banking, I really didn't know what I would do next. I just knew that it was time to take a break. But what I didn't realize was how difficult the following months would be. For first time in over 15 years I did not work and that in itself was challenging. My job gave me a sense of purpose and identity and as the universe would have it, my personal life started to unravel around the same time. That hardship was character building, to say the very least.

When I resurfaced, I was adamant that what I was re-building had to have purpose, integrity and inspiration. I wanted to create a new type of dynamic with Naissance Capital Real Estate. Naissance meaning—rebirth! I was looking to not only apply my skill set to every deal but also engaging the right players and experts. This is where diversity is key, by understanding your strengths and cultivating a network of key experts who you can draw upon. Every deal is unique and requires us to think outside the box and make things happen!

## **Was it difficult getting into commercial real estate?**

If you want a yard stick to measure the barrier to entry in commercial real estate versus other investment asset classes such as trading derivatives or private equity; then think of commercial real estate as jumping over a white picket fence on a sunny day and derivatives trading as climbing up a steep mountain in the cold, at night, without a flashlight. What I am not saying is commercial real estate professionals are less clever; but I what am saying is there are a lot more people playing in the arena. You will come across all sorts of people running around trying to broker a deal.

Real Estate deals require both, a strong financial analysis, as well as basic intuition. No one in finance has a crystal ball or has mastered the art of anticipating market swings. Property growth merely measures what people are willing to pay and banks are willing to lend. Buying assets can get complicated at times but what is difficult is growing the net asset value over time.

## **What advice would you give our readers who would like to venture into real estate investment in the U.K.?**

Firstly, a true real estate investor is a patient investor. Real

estate investment is about the long game. Often the properties you buy and hold make you more money than all you've traded in between. Secondly, chasing yield is a trick, chase value creation. Delayed gratification is what makes us adults. For instance, ask yourself, is the asset under rented? Is it in a regeneration area? Is the underlying tenant's business model changing with technology and is there a contingency plan?

If you want to do a deal right, you have to find someone you trust and not only has years of experience in the respective market, but has boots on the ground. Buying an asset in the U.K. is very different from buying in the U.S. or the Middle East. Your trusted local partner will help you manage the process, as well as your expenditure prior to exchange. If it's under offer, it doesn't mean much until you exchange. And, to get to exchange you will need to pay for various surveys, a valuation and legal fees which can get expensive unless you've negotiated abort fees pre-agreed.

Make sure you work with a top law firm, property deals are all about negotiations and I am not talking about the price. If you have a difficult seller than you will need to ensure you've not only got the information you will need to do the deal, but to satiate the banking requirements to obtain debt and maximize your returns. A good lawyer will help you through that process and ensure your banking facility documents are not overly restrictive among 100 other considerations. Knowing the legal team that structures your deal is important, as they should act on behalf of the investor and not to benefit the asset manager.

Which leads me to my final point; get a good asset manager to look after your prize possession. If it isn't us, then find one that wants to grow value and incentivize them as such. The asset managers are responsible for not only maintaining the asset but also making reasonable endeavors to maximize returns for the investor.

## **Which was your favorite deal so far?**

Hard to say, I worked on circa £2.5 billion with my previous employer. We had a few really innovative transactions in the industrial and multifamily space but of the Naissance Capital Real Estate deals, House of Fraser in Cardiff is my favorite so far. House of Fraser, Cardiff was Naissance Capital Real Estate's

second deal. As we exchanged a week after BREXIT, it stands as good testament to our relationship with our clients. I vividly remember the night of the referendum. Investors started to ring from around 3:00 am onwards. Everyone was in astonishment and disbelief. Did the U.K. really vote to exit the EU? Needless to say, I didn't sleep that night or the night after. As the clock struck 8:00 am, I called a representative from the firm that brought us the deal and requested that they negotiate pricing down or my clients would pull out of the deal. In the end, my investors benefited from better pricing on the acquisition and also from a currency standpoint, as value of sterling fell steeply against the dollar. The Bank of England dropped the base rate the day we completed the deal allowing us to save a meaningful amount on our 5-year swap rate. Net result, a well-priced deal with room to grow value.

Although a complicated and changing asset class, the retail sector has room to be innovative and transform. Aesthetically, the architecture is stunning and the underlying fundamentals of the asset are strong. Cardiff has been active in regeneration. Since then, we have acquired another large asset in Cardiff. We see growth potential there!

**Do you find it difficult to work as a woman in the Middle East?**

If I had a dollar for every time I have been asked this question, I would be one rich lady! Ironically enough, the person responsible for my career in commercial real estate is a Kuwaiti man who gave me a chance to grow and succeed in his London based Investment Bank. Luckily, working with clever bankers in Kuwait helped to prepare me for the rest of the Gulf. Going back to the question about being difficult, no, it's great. The clients go out of their way to be hospitable. It is about time to dispel this stereotype. I am treated with dignity and professionalism in client meetings in the GCC.



**Azeemeh Zaheer,  
Naissance Capital  
Real Estate**

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