Transcript - Real Estate Finance Webinar

Logistics: Financing and the future

Gordon McMillan	Hello and welcome to another one of our BCLP Real Estate Finance Webinars and I hope everyone is well. For those familiar to our series, nice to have you back. Previously we have considered technical and markets kind of analysis, and we've covered a number of asset classes. So in terms of what's happening in the world today we've looked at retail, how that looks now, and how that might look after pandemic; we've looked at offices, how that looks now, what those would look like in the future, and if we're all going back; but today we're going to focus on, I suppose what could be called kind of a good news story in terms of real estate asset classes, which is logistics, and more specifically logistics in the UK, that's, that's kind of what current market looks like, what makes it attractive, and what the future might hold, and we're also going to look at how that impacts on financing decisions for lenders as well. So it has been a big year for logistics and the current pandemic has only accelerated that group, the period, period characterised by deal flow. This is where we see a huge amount of action. We're seeing big portfolios traded, whether that's Blackstone buying their European portfolio for €430 million, Epic UK now going to markets with, I think it's like £340 million portfolio in UK, and then also we're seeing kind of a pricing change, so yield to sub 4%, I think, on MountPark's recent €530 million portfolio. We're seeing big occupier requirements, and on top of that, we're also seeing new investor appetite. New JVs and new people teaming up so have [*inaudible*], and also given CPP and APG as big investors. So there's huge waves of capital, I guess, going to get a piece of the action. Now, no one dials into these webinars to listen to me or in fact any of my partners. So, without further ado, I'd like to introduce today's esteemed panellists or speakers. So first, we have James White, who is the Head of UK Origination of Dekabank. James joined Dekabank September 2008 as a founding team member, and since then James has been involved in over 6 billion pounds worth of estate lending transactions, and has kept himself busy, I think he said it was, two-thirds just lending during this pandemic period has been to logistics, assets and he recently completed deals across Hines and Goodman. Secondly, we have Bjorn Hobart, who's a partner in Tritax Management. As for the purpose for this UK logistics discussion, he works and acts on behalf of their Tritax Big Box in terms of sourcing investments, analysing investments, and, and more generally becoming something of [*inaudible*] for stock market given where Tritax to real estate currently trades. So, in terms of recent success, of course, we also have Tritax Big Box and in terms of occupier demand I think it was a letting 2.3 million square foot logistic scheme in East London as well to Amazon. So James, Bjorn, good morning to both of you.
James White	Morning.
Bjorn Hobart	Morning.
Gordon McMillan	Morning. So coming to you first Bjorn. So what is it about logistics? More specifically, I mean, why, why logistics? And, and why now?

Bjorn Hobart

Well, that's a, thank you Gordon, and, and firstly thank you to the BCLP team for giving me the opportunity to present and welcome everyone and I'm really pleased to be joining James in this presentation.

So that's an sort of far reaching question of that type. I guess, you know, if I start off from the top and try and do some thematic and run throughs as to, to why, you know, logistics and why you think it's a compelling investment choice. So our intention at the start of IPO and TBBR, Tritax Big Box REIT, we created a new REIT, which would be to provide long, robust and, and growing income for investors. And we particularly focused on the Big Box logistics sector, those units over 300,000 square foot, because they have sort of particular income characteristics, which have been borne out by the evolution of supply chains, and ultimately all, all comes down to the imbalance between supply and demand.

So why logistics? So, knowing actually what logistics units are, they are critical components in the supply chain and they move goods through that supply chain and they might be raw materials, work in progress, finished products, and they move them through to businesses, other businesses or consumers. More recently there has been the focus on the reverse flows back up the supply chain, many businesses can't operate without logistics in some form storing part of their inventory and keeping them away from the elements. So, sort of looking back at supply chains, and how they've evolved over the past ten years and where the demand has come from, they've, evolved in the sense that there was the old industrial units and industrial estates which were no longer fit for purpose, they were confined by urban areas, congested, locations on the edge of, of, of towns and what was happening was occupiers wanted to consolidate from older, less fit for purpose units into larger sort of regional distribution centres so they could cover the, the entire UK, and this would allow for improved deficiencies, economies of scale, but also the implementation of automation and mechanical handling equipment to improve the throughput and efficiency of those buildings.

Now it was almost a perfect storm because at the same time there was the advancement of e-commerce or, or the Internet where people were, were, were acquiring products and inventory and ultimately consumers were demanding that they could purchase a uniformed product range across the UKs, there was no differentiation, and this all quite crude comment of purchasing anything, anytime, anywhere concept, and this had a dramatic increase on the demand for these larger logistics units from occupiers to meet consumer expectations and ensure that they retain their market share, and this led to that first mile logistics, you know, whether it was insufficient supply in these modern very technologically advanced, high bay units.

So this supply and demand imbalance created the compelling attributes of occupiers committing to buildings on long leases because they wanted to establish their supply chain framework, they wanted to secure that location which was close to an infrastructure hub, and at the same time this scarcity has led to rental growth, and often those occupiers who were taking these long leases wanted some form of visibility on, on the rental growth as opposed to the, you know, historic open market rent review every five years and imbedded some form of indexation so they had visibility on, on their rental liability. So these investment, you know, characteristics sort of attracted the attention of, of, of a lot of investors and over the past decade, you know, as you've touched on Gordon, we've seen yields compressed, you know, from 7, 6, 7% all the way down to 4%, and more recently, you know, with some, some market activities, it's sharper than that. And we still see some opportunity for yield compression.

So the future opportunity, you know, is really driven out by the supply constraints, and COVID, as you touched on earlier, has sort of accelerated, you know, the online retail sale which is a percentage of total rate retail sales. We've sort of been forced into this situation where we can't go out, we can't, you know, physically attend shops or people store estates, so we've been buying online and that's accelerated what was expected to happen over the next six, eight years really in, in, in the last six, eight months. And to sort of put that in context, before COVID, pre-COVID in 2019, retail sales as a percentage of, of total sales, stood around 20% and that, that has now accelerated almost up to 50% with a, with a big spike in, in grocery, which was always languishing at around 5 to 7% and now it's 12 to 15%, you know, there's been a big acceleration there and those occupiers are really reconfiguring their supply chains to, to meet this new form of demand, you know, and, you know, this has been a function of, of, of the lockdown but consumer behaviour is expected to be maintained, and why wouldn't it be? It's more convenient, it can be cheaper, and behavioural scientists, you know, suggest that a habit is formed in 21 days and, and we're well into that now. This second lockdown, you know, we're, we're definitely within sort of that 21-day period, so, and, and coupled, you know, the statistic that everyone rolls outs and I quite like using is that for every increase in a billion pounds online you, you need another million square foot of, of logistics, and sort of putting that in context to where the growth has gone to, you know, there could be the potential for a hundred, 150 million square foot.

So, so this trend is being underwritten essentially by the market dynamic, so as we've seen it to date, you know, the last, the last, all-time-high in logistics take-up was in 2018, when there was about 32 million square foot taken up in the year. In 2020, in the COVID, you know, year almost, there has been almost 33 million square foot to date, and the year's not over. So occupiers are, are showing the importance, you know, of, of those supply chains. Now, the supply, there's only 20 million square foot of supplying in, in logistics and I'm talking about, you know, across the whole size range, and it's even more acute in that bigger format first mile size band, there's only 20 million square foot of supply, second hand, and speculative development. So, you know, seven, eight months' worth of, of supply compared to the 2020 take-up.

So, really in summary, sort of talking very quickly and energetically, why is it a compelling investment? Well, you know you've got this supply and demand imbalance, you know, very simplistic, you got scarce resource, which isn't being corrected, you've got rental growth, you know, the planning system in the UK is not quickly correcting that. It creates the bottleneck. You've got strong tenant retention rates because of these large, now capital injections into the larger format buildings by the occupiers in the form of automation. You've got strong covenants, those, you know, have, which have the greatest market share taking large units, which have large rent rolls, you've got over 99% of, of, rent collection in, in the Tritax Big Box REIT portfolio. You've got minimal obsolescence within the buildings. They're still portal frame and they clad, you know, quite simplistically. You've got these compelling income characteristics, long income, you know, growing robust covenants and, fundamentally, you've got that, that yield arbitrage between the risk-free REIT even with, with yield impressing, you know, near on 400 basis points.

So, that's, that's my sort of, you know, take on, wow, that's compelling. And now it's for James, I guess ... [*laughs*].

James White

Bjorn, I think you've nailed that.

I, I think that's definitely a comprehensive overview on the logistics market. I think, let me basically, maybe reiterate some of your points, but I mean for, for our business, we've been lending in the sector since our, since fruition in 2009. I, I remember those net initial yields at 7% just after Labour financial crisis lending on long-dated income to being a regional distribution centres to, to food retailers. But like you and, and like the summary, we, we've, we've likened the fundamentals to the logistics market, not just today but historically. You know, today, you know, we've, we have a strong take up, as Bjorn said, demands low voids because there's a scarcity value in, in what we're seeing here. And, you know, I think demand at the moment, you know, versus supply, you've got about one-and-a-half year kind of national, sort of supply if it can come to market, so that feels quite robust in that regard.

But I, it's also being in COVID and one of the reasons we were lending, you know, during lockdown, you know, it's, it was a stellar performer within our portfolio. We had 100% rent collections in that regard, so it was easy. But I think, ultimately, for maybe the, the less expertise professionals, unlike Bjorn, you know, it was right in everyone's frontal cortex in, in, during lockdown, you know, and, and that translated to that our credit department as well. Invert, you know, the, all Amazon was doing sterling trade, we just switched all our, our, our consumer behaviours to, to online, and people could finally understand the, the model. I mean touching also on what Bjorn was saying, for senior debt lending, the attraction of Big Boxes' 15, 20-year term certain income to tenants that have financially committed to the fit-out, you know, considerable sum, is, is highly comforting. But also, you can go for the diversity factor as well within, within the portfolio opportunities that we're beginning to see now invert, you know, it's just not e-retail and commerce, but there's a diverse range of different sectors that you get within this space that is also quite healthy when you're coming from effectively an environment at the moment where we're working through re-adjustments and, and, and potential will have had recession in that regard.

So, that, that's very helpful, and, and we're seeing it with investment activity, now. You're seeing some strong names coming in, clients we want to deal with, so, yeah, it's, it, it's something that we've historically enjoyed, something we want to be more involved in, but I think, you know, capping off what, you know, Bjorn is effectively saying, there, you know, for a lender, you get to deploy capital against a scare resource with limited obsolescence, resilient cash flow,

	and typically at the moment where tenants want to renew, so limited voids. So yeah, we're feeling good about it.
Bjorn Hobart	James, what's not to like?
James White	Well, I, I just don't understand why we're not doing much business at the moment. Maybe we'll rectify that afterwards. [*laughs*]
Gordon McMillan	I think that, I think that cast and don't worry, we'll, we'll, we'll get the [*inaudible*] out of you shortly James [*laughs*]
	Let, let's, let's have a quick think for the future 'cause this is obviously, I mean, th-, th-, this is hot and unquestionably, you're absolutely right, James, that, you know, behaviours are changing. I, I, I don't buy much online but I mean of course I buy things online and this is kind of where we are.
	So that, the big question is, and as you said Bjorn, it was supply constraint. What does the future hold? I mean what are, if you like, kind of the key drivers for a good logistics market, so we don't end up, kind of, which I think retail may, may be accused of having now, which is, you know, a quite clear primary, secondary, tertiary, quaternary market which has now been hit quite hard, I mean. I'll leave to you guys to…
Bjorn Hobart	No, I'll, I'll, I'll take that, Gordon.
	You know, very much it used to be location, location, location, and that is definitely keen still in the UK, because, you know, you need access to, you know, multi-model infrastructure, whether that be motorways, air, port, and coming into play - rail. I think moving forward there's been definitely a focus on employment, labour, and power. These buildings as I suggested are becoming more power hungry. They have automation, they have data centres, they link with store estates with just-in-time processes, with stock radio frequency identification levels. They're becoming more and more sophisticated. In addition, the occupiers are trying to increase the, the, the throughput or the productivity from a single unit. Why wouldn't you? That's being achieved through volume storage; the implementation of higher racking systems; picking systems; mezzanine floors, structural, non-structural mezzanine floors; labour. The, the, the mechanical handling piece isn't taking away the need for labour; it's actually having more diverse requirements from engineers to, to, ensuring the, the continuation of that, this automation mechanical handling. By definition, larger logistics units have larger office content if they're between 5 and 10% of the floor area; within that, the occupiers have realised that actually they can house a lot of their, their office function from marketing teams, buying teams, research and development; they're becoming places where, destinations where people work, they'll have a canteen, they'll have crèches, they'll have hairdressers, they'll have gyms, so I think within all of that and in addition that because the occupier is committing to this long-term lease and to, to essentially secure that position which has all of those, those attributes, there, you, you know, th-, th- the flexibility where they can expand, into, you know, further space or expansion land or even, you know, eaves height but they're not actually using in, in its

	entirety at the moment. So I think it's, you know, high quality logistics in the right location which has that power and labour supply.
Gordon McMillan	Yeah. I suppose James then, that, that, that sets the scene well, so, I mean, in terms of future lending trends in this market, I mean, where does that sit with things like the liquidity, pricing, sectors, and downside risk, bearing in mind that, I mean, you can talk to kind of where we are now, and also what the future might hold, but obviously you're, you're, you're in a position where you need to allocate against certain asset classes and, and kind of just how logistics fits in to that and where it goes to, I mean, it's very hot now, doesn't mean that's, that becomes more, more difficult for you or does that, is it come just a case, you, you'll, you'll kind of look at what Bjorn is saying and it just means it's a flight quality.
James White	No, we, well, we're definitely a high support of the sector. I mean historically I think if there's been a scarcity of lending opportunity to, to, to really get involved then it, it's only, you know, in recent last few years, so that the market's really picking up on the investment side so it's allowed us to, to provide financing. I think we were lucky during lockdown to, to be involved in some of those logistics lending opportunities where maybe other, other institutions were taking a pause and, and seeing where things were heading to. I think we're now being joined by a vast arrange of, of capital that, that's coming to the market, especially for the Big Box warehousing that, that Bjorn's been referring to, for the same dynamics as, as we do, which is long income and, and, and strong tenants. I mean, I think what we're gonna see, is obviously, there's lenders who are gonna be, rec-, reallocating their, their books at the moment from retail. And effectively a good way of doing that, but continuing be active is to move up that supply chain and, and get to, get, get to the retail space, which provides more robust and transparent sector to, to be involved in. So unfortunately, I actually think we're gonna have six months of, of, you know, a hot run here, especially with the, the investment activities going on, and I think pricing for that core space, will definitely, will definitely improve for, for, the likes of Bjorn's company. And, I also think this could be a good opportunity with the, with the scarcity factor, for, for more investors who probably have a more expensive pot of capital to, to get involved in with development side, probably not mandate for, for I hold, as, as German lender, but given the lead times that you have, for, for these sorts of products effectively, you know, it's a nine-month build-out time to, to get these, you know, stores up. You see that as quite limited construction risk that you're taking on board before, you know, effectively letting up a lot of this stock. And I think the important thing on, on why we have such limited, you know, voids at the moment is, so much of the speculative space at the moment is being built out with a pre-layer or build-to-suit already in place. It's not like pre-2008 where people were effectively just putting up a shed and hoping that someone's gonna move in and do it. It, it's a lot more bespoke and thought through in a lot of the development guys, in that regard, so definitely feel that it's going to be a highly supported market. I mean, the thing is, with, with all these markets when they have their bull run is for, there's, there, there is always a great opportunity to get it wrong as well, and I think, you know, senior debt lending 101 is always, and especially of logistics is, mis-pricing prime o-, o-, over

	secondary, and, and thinking the, that golden triangle effectively is actually probably a Bermuda Triangle location. You know, you, you, you get, you can quite easily lend in an asset that maybe bespoke for a local occupier, and then effectively find that, you know, because of some of the changes we have in the logistics business now, we got the power and supply, employment. Once that occupier is gone, you have effectively a site that is not fit for purpose for, for any other party. And, and that differential between market value and VP value in the senior debt len-, lending space is a, is a lot far greater than is, say, if you're lending in offices in that regard. I mean, the other thing is you always see in a hot market as well, a sale of leaseback transactions, and, and you're always gonna be wary on those, because these are effectively usually financially constrained tenants doing, doing such a thing. The, the, the buildings in themselves are specialised to them, therefore third-party usability is not necessarily useful for, for other occupiers, if for instance, you do lose them. So, you, you do need to be a little bit of careful in that. And I suppose the other thing is obviously, it's not just big box, there is a, is a lot of chat on, on the last mile stuff, urban logistics is very much in vogue. I think when I started lending, urban logistics was, was an industrial estate, now, it's not for me to say for, this is not a sector that you shouldn't be getting into, I, I think that it's valid, depending on the entry point. But, you know, as we come through a recessionary period here, these are more destinations that have small and medium term businesses involved, a higher risk potentially of, you know, ten-, tenants going into the fall, and, and probably, yeah, a lower value cost. I, I don't mean to, you know, do it down, I, I just think that maybe "buyer beware" in that, and, so, yeah.
Gordon McMillan	James, James, ver-, very fair [*inaudible*] perhaps so, that's something Bjorn can, can kind of…
James White	Yeah.
Gordon McMillan	Because obviously as always with Deka, as I said, when I would speak previously, you, you have always been known for financing the biggest and shiniest things in The City and now we're talking about logistics so looking at kind of speculative development point is like saying there's just [*inaudible*], that's not a mandate that you guys would have, I mean, there's obviously as yields compress income, prime logistics market, there's obviously a lot of money which can look at, the retail what you're saying is, is having a tough time. The urban logistics which, which kind of where, where perhaps yields are, are better, you know, there's more attractive capital to be, to be deployed, I mean, Bjorn, I don't know whether or not that's, I know with, with a Big Box fund is a Big Box fund, but in terms of wider market, is that something you guys are seeing becoming more…?
Bjorn Hobart	So, so, so two elements say yes as sort of back at the, the beginning of 2019, we acquired a, a development land bank essentially from DB Symmetry they were called, and now they're called TriTax Symmetry and this had the potential

	to provide, you know, 40 million square foot, subject to planning, over the next sort of ten years, which you know, in, in light of that, you know, yield compressing in our ability, they would compress even further because of the, this transition, so that's something we did address, and I think you need to be very careful as, as James said, to ensure that those locations, you're either speculatively building the, the, the, right size band or, in our case, you're sort of rigging a scheme for the vertical build, you're getting in the utilities and infrastructure, you're doing all the land plateauing, because the build time is, is very short and often occupiers who are taking very large units want them built to certain critical dimensions, when, you know, I think people refer to it as build-to-suit, it's built to suit for them but it is broadly a very generic logistics building, and that's what we're, we're very mindful on. I think the other piece is, is the last mile piece and urban logistics, and I, I think people, you know, again, that term or definition is widely used, so the true urban logistics, those buildings in highly populated areas which provide that last mile, that rapid response to a consumer's need, does have a completely different income characteristic. However, you know, the planning system is, is such that the release of that employment land and the ability or high alternative use values is keeping that residual land value high. And big boxes, first mile, and last mile, they work in, in harmony in conjunction with one another. I think the right sizing of, of the urban logistics is, is yet to be finalised, which is why they're taking shorter leases. And also we need to be careful that, you know, UK urban areas can actually be fulfilled from the first mile fulfilment centres, so it's really only London conservation, and in Europe, you know the likes of, of Barcelona and Paris that are so big, you, you, you need a, a robust framework of urban logistics, but, you know, we, we do see, you know, a lot of positivity in, in the alternative smaller, smaller space.
James White	What about drones, Bjorn? [*laughs*] They're for you.
Bjorn Hobart	[*Laughs*] Yeah, yeah, throw that out there, I mean...
Gordon McMillan	Yeah.
Bjorn Hobart	…technology is rapidly, rapidly changing, and I think with autonomous vehicles, EV vehicles, convoying, drones, a whole multitude of new technologies which is coming in, we're almost seeing this and everyone's becoming, you know, you know, well-versed in supply chains and, and how they're, they're, they're rapidly changing so, you know, I can definitely see some disruption to, to that last mile alone.
James White	I mean one of the areas that I, I, I'm interested in a bit more, and it's part the lending book that we have done, is looking at the om-, omnichannel retailers, both, both physical and, and Internet based sales. Now there's a lot of chat and I don't know how, how much of a success with regards converting retail parks effectively to having more of these, sort of, light dual purpose retailers, effectively having a, you know, showroom store with greater storage at the back, so switching that 80/20 sort of split for, for, you've had before. Now we, we've played in the, in the supermarket space, which has been highly, you know,

	resilient, and, and defensive in that regard, but I, I'm not convinced that it works everywhere. I think in London and Southeast, y-, you can get there, there's a better correlation of rents, but Bjorn, I, I'm interested in your views and, and, where, where re-, re-, retail parks sit within repurposing for, for, for logistics in the element. Do you think, do you think it's a flyer or it's …
Bjorn Hobart	Yeah, I think…
James White	…it's a pipe dream? [*laughs*]
Bjorn Hobart	Look, hey look, we, we, we're, we've set-up a pay fund privately invested to acquire those, almost last mile retail warehouses, as the name would suggest, retail warehouses. They were borne out of warehouses with a, with a different plan and consent, and the rents were a multiplier of, of re-, of warehouse rents at the time, and then it became on, it came onto the rents grew to an affordability level for the, for the, for the tenants. I think there's, there's, there's a lot of opportunity there, and it's very selective, it's almost like logistics. You need the right locations with the right demographic with the right configuration, but I think they will serve a purpose and, and with changing technologies, will, play an import-, important role. As you're right in saying, you know, once and hopefully, you know, COVID is past this we'll be back out socialising, interacting, shopping, on the high street, in retail parks, and the omnichannel is, is the key to that, the click and collect the returns which are becoming ever more prevalent.
Gordon McMillan	That's about … tho-, those are really interesting things. I'm just conscious of time. We, we, we're, we're overrunning slightly. I, one more thing I want to ask both men, and but in the meantime, anyone does have, any of our audience, do you have any Q&A any points they want to send through, please do now. We'll try and get to them without overrunning too far. But first, the last point, I don't think we've got time to speak to things like ESG and everything else has been crucial to this discussion and the one thing I just want to know is, I mean, given all that's been said given the sophistication of capital coming in, I mean is it that risk of logistics being a bubble? Is it that risk once COVID opens up actually what happens is one of the questions we've had is where do you cap-out for example grocery spent and online is there a risk this is a bubble – is there a risk that private debt funds can start looking at speculative development finance and actually what you do is not build it and they will come. It's very much oh well, actually, we built it and now we need to repurpose. Is that the risk? I don't mean to – and that's a bad note to end on and obviously I'm depressing lawyer and I can't help, but is there a risk of a bubble?
Bjorn Hobart	Look, we all look at the downside risks. So, no, you're not – I think you're in a room full of people who, you know, risk aware, and I think the attributes that logistics present in the essence it's how it's being termed, there's a structural change to the way that people are consuming, and you only have to look at the younger generation, the millennial, the Gen-Z, which make up a greater proportion of the population moving forward the way that they shop and especially the supermarkets, you know, are answering that question. Will they

	cap out? They're reorganizing how they pick, pack and distribute. There's a huge shift as in technology to improve efficiency, to reduce cost because I think, you know, it's been widely reported it is a lost leader, but get it right and you will advance, like Ocado. You know, they haven't got a big store estate that's overhanging them, but they've got, you know, new technology – sorry, I'm taking up some time, but James …
James White	No, but, well, I'll just give you a top stat instead. I think, well, firstly sustainability and environmental side I think is important and a lot has been addressed. I think, actually the logistic space is a market leader in that on the Big Box side of things. I mean, and needs to be. It's a shame we don't have time to find out if the occupiers actually, you know, buy into that considering driving e-vehicles is probably one of the big pollutants out there, but we definitely look for it as a footprint in our business and you know, in every credit sign-off and it's defensive. It's future proofed our security value, but, you know, effectively, I think, not my statistic, but I think bounded around, I think, the last time I heard it from Savills is that every new household, I think, requires at the moment about 69 sq. ft. of warehousing space. We have a demand of new house builds ranging between 200,000 to 300,000 new homes a year. You know, you take that 200,000 figure over the next four years and you already need another 69 million in sq. ft. of warehousing space. So that does feel quite robust within itself to kind of worry about this boom. And again, just to go back to that final point. At the moment, we are just not oversupplying the market. People have been far more restrained than they've ever been, and you've just got to look at the void rates. Maybe in part that's because there's not so much debt supporting that, but maybe it's also because, you know, the big boys are actually being more considerate about their exit route as in when they build these things out. So I'm much more optimistic. So don't bring us down, Gordon [*laughter*].
Bjorn Hobart	No. [*laughter*] well said [*laughter*].
Gordon McMillan	[*Laughter*]I can't help myself, it's where I am, it's turning it into a slightly dampener. Bjorn and James, I know there's lots more in there and we'll reconvene at a later point and we'll talk more about this. But look, Bjorn and James, thank you very much for making time today, and also thank you to the audience. And yes, this is an ongoing story, I guess. Thank you all.
Bjorn Hobart	Thank you, Gordon, and the team. Thank you, James.
James White	Yeah, a pleasure. I enjoyed it.

