

Analysis

News & Finance

19 Gerry Hughes on prioritising growing Avison Young in Europe's main markets

Residential & Development

20 Shifting tax burden to sellers 'catastrophic'
21 High-end student digs still in demand

Data

22 Constrained supply mitigates Brexit effect on UK residential land prices

Avison Young to 'build spine through the centre of Europe'

■ European president Gerry Hughes sets out stall to put the firm at the 'top of the food chain' in Europe

Guy Montague-Jones

Buying GVA was just the start for Avison Young. The Canadian firm now plans to make a series of corporate acquisitions in Europe as it seeks to double its global revenues to \$2bn (£1.8bn) over the next five years.

Leading the charge is former GVA chief executive Gerry Hughes. In his new role as president, Europe, at Avison Young, he is tasked with building up the business in continental Europe, almost from scratch.

Currently, the firm's presence is limited to a few German cities and Warsaw in Poland. Hughes says his priority will be to grow the business in Europe's main markets.

"The strategy is to create a spine through the centre of Europe that runs from Dublin and London, through Paris, Amsterdam, Frankfurt and Warsaw, and then build beyond that into Spain, Italy and Scandinavia," he says. "We have to be in the main markets to follow the money."

Avison Young got the ball rolling with the acquisition of Hamburg-based industrial specialist Völckers & Cie Immobilien in July and a number of other deals are in the works, including one in north-west Europe that is expected to be finalised shortly.

"We have a very significant pipeline of potential acquisitions," says Hughes, adding that Avison



Leading the charge: Gerry Hughes is now president, Europe

Young's partnership model and growth plans make the company attractive to potential sellers.

As the company builds up its business in Europe, Hughes is keen that it should offer a broad range of services and not be too dependent on transactional revenues.

Unique opportunity

"We're not going to go into a country and find a business that does everything," he says. "We're going to have to put the pieces together."

Hughes describes it as a unique opportunity to build a real estate business in Europe.

He adds: "My ambition is to build a business that is able to give high-level, high-quality advice to clients. We want to put ourselves at the top of the food chain."

It will clearly take some time to build a full-service offering across the continent, but Hughes says his target is at least to have a platform in place by the end of 2020.

To help achieve this, Avison Young is not just relying solely on M&A - it is also making senior appointments. For example, Steve Cresswell has just been recruited, joining from JLL as European director of finance and operations, with overall responsibility for financial management and operations of the company's European business.

As well as leading Avison Young's business in Europe, Hughes is also helping to build up the firm's consultancy offer globally. He says that in the UK about 80% of the firm's revenues are non-transactional, whereas in North

America it is almost the reverse.

As in Europe, M&A will play a key role in broadening the company's offer in areas such as planning consultancy, property management and investment management, which are less exposed to the ups and downs of the market.

Resilient and responsive

"There's a recognition that the business needs to get the balance between transactional and consultancy in place," he says. "It makes us more resilient and more responsive to our clients' needs and means we can offer services across the entire real estate lifecycle."

One area that Hughes is particularly keen to grow is what he calls 'urban futures', a combination of services across urban planning, finance, economics and innovation that is designed to capitalise on the growth of 'smart cities'.

"I think there is a phenomenal opportunity because I don't see anyone else doing it," he says.

Again, M&A is likely to be key to creating this urban futures business line globally. Having led GVA through the sale of the firm to Swedish private equity firm EQT in 2016 and then the sale to Avison Young just two years later, Hughes has plenty of M&A experience to put to good use to help Avison Young on its way to become a \$2bn revenue business. ■