



March 2022

## **What does your role involve?**

I'm responsible for formulating and delivering the business plan, which I present to the board at the start of the year and report against on a monthly basis. I have employed a superb team, and by communicating to them the vision and strategy of the company, I ensure that the business plan is successfully delivered. At our monthly board meeting I report on the latest results and act as a liaison between the team who carry out the business of the company and the board of directors. I am also on the credit committee, which authorises all new loans.

## **How long have you worked for RQ Capital?**

I founded the company in January 2012 – so we're coming up to the end of our tenth year. We are a property-lending business, originally entirely shareholder-funded, but after five years we introduced bank funding alongside that, enabling the business to grow to the twenty-million-pound loan book it is today.

## **What is the most enjoyable aspect of your role?**

Working with people I like, lending to people I like, and doing repeat business.

One of my favourite things is identifying smaller developers at the start of their career and seeing them go from borrowing £100k to £3 million plus a year – and sticking with them throughout that journey.

It's been great growing my business from home – I joke that I was eight years ahead of the pandemic by showing that you can run a business from your back garden! Everything we do is cloud-based, so we can all choose where to work each day.

I've also enjoyed outperforming the returns of our competitors, but with only four people. We all know exactly what each other is doing, which keeps things fluid. The more people you have, the more time you spend on HR issues, rather than concentrating on the important thing: finding developers to lend money to – who you think are going to pay you back.

## **And what do you find most challenging?**

The most challenging part is that money is becoming cheaper to borrow. There are new entrants all the time into the property-lending market, and therefore it's harder for us to compete on price.

But our philosophy is not to compete on a race to the bottom pricewise and then fail to deliver. We champion our own skills: first class service, property expertise and quickly identifying the key risk areas. Unlike other lenders, we will not agree to lend and then take ages over the due diligence process before identifying factors that delay or even prevent drawdown.

## **What led you to a career in the industry?**

I started with KPMG in London, specialising in property and construction businesses. After five years, I became a finance director at an Anglo-Irish property development company, predominantly responsible for borrowing money from banks for mixed-use developments.

I then left London for Norfolk in 2006 and joined a venture capital business to set up a property lending arm – quickly learning how to lend money rather than borrow it, but with the advantage of knowing from personal experience all the issues that borrowers face. I know that equity, to a developer, is a scarce resource, and that appraisals are often tailored to meet the banks' lending criteria. The skill is identifying what the development is really going to cost and ensuring that there is a contingency to cover that.

## **What do you think differentiates RQ Capital from the competition?**

Our service is superb – we have the processes, team and external professionals in place to carry out loans at short notice, even within a few weeks. We fully understand property issues and are therefore not put off by concerns that may scare other lenders. That's not to say that we don't acknowledge risks, but we can interpret them and make an informed decision, which a computer-driven credit committee may not come to.



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# RQ Capital

**Robert Gurney | Managing Director**

We like to see everyone who we lend to, nurturing from the start a business relationship that can hopefully be enduring, rather than a one-off. There's always a problem with a development – always. I believe that how we understand and react to those problems is greatly valued by our clients, leading to 70% of our borrowers returning. Anyone can be there when it's easy – it's about being there when it's not and coming to a commercial understanding that benefits everyone and still encourages repeat business.

## **What advice would you give someone who wanted to work in property development?**

Whether you've been professionally qualified as an accountant, solicitor, surveyor or architect, or whether you're a builder yourself, it helps to be an expert in at least one of the fundamentals of development. If you're not, you should be well-organised, as it's vital to appoint and manage a good team.

All the trades you deal with are trying to make a profit (sometimes at your expense), so you've got to be a bit streetwise. Resilient too; things will go wrong – and lucky. If you buy a site at the right price, the market goes with you, and there's room for you to make errors in construction costs, then you'll have timed it right and will make a success of it. But you've got to be lucky in getting on the merry-go-round at the right point.

If you want to work on the loaning side, it helps to understand the industry and its language. At RQ we adhere to some lending principles called the three Cs: Character, Collateral and Capacity. Firstly, Character – is the borrower honest and will they do as they say? What's their track record? If they have a chequered past, can the causes be satisfactorily explained? Secondly, Collateral or Security – you need to do due diligence on the property. We take a first charge on property and must establish that whoever's giving us the security is the owner and it is worth what they say. Then finally, Capacity – does the borrower have the capability to deliver the plans?

## **What do you like to do in your spare time?**

I am sports-mad, so I will do anything with the word sport in it: ball sports, country sports, anything basically on Sky Sports (even the darts!)

I have decided that if England get to a world cup final, I will drop everything to get there. I was present when the England cricket team won the world cup at Lords in 2019, although I've been an unlucky charm since then, watching live the rugby team lose to South Africa in Tokyo, the football team lose to Italy at Wembley and recently the cricket team lose to New Zealand in Abu Dhabi!

## *Quick Fire Round*

### **Any TV recommendations?**

The American Office, Game of Thrones and Peaky Blinders.

### **Read any good books lately?**

I Am Pilgrim by Terry Hayes. Tom Clancy, Robert Ludlum and Wilbur Smith are a few of my favourite authors.

### **Your dream dinner party guests?**

Am I allowed to have two dinner parties? At the first one, my great-grandfather, my grandfather, my father and I could discuss how our farm has changed over the generations.

At the second one, Donald Bradman, Sachin Tendulker, Garfield Sobers, Ian Botham and Shane Warne. The top five greatest cricketers of all time and me.

### **What did you want to be when you were growing up?**

A professional sportsman. Sadly never good enough.

### **Favourite film?**

Any James Bond film, and films written by Richard Curtis.

### **Business pet peeve?**

Planning process and the legal profession.

### **Describe yourself in three words?**

Competitive, dependable and honest.

### **Describe RQ Capital in three words?**

Streetwise, expert and bespoke.



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