Bull & Bear

St. Bride's Managers

Junior's Concerns

Bull: For heaven's sake, Bear ... what on earth are you doing down there? We have a Weekly chat to get on with.

Bear: I'm in the archives room looking for something but I have been distracted by one of my nephew cubs who is huddled in a corner looking very bewildered.

Bull: What did you say to him?



Bear: Nothing! But it seems that he has been jotting down some of the things he has overheard you and me discussing recently. And that appears to be the reason for his melt-down.

Bull: I'll be right down.

In the archives room

Bull: So, what's this all about, Junior? Your work experience here was meant to be a bit of fun. A few days away from school and exams.

Junior: It has been fun, Uncle Bull. I have really enjoyed myself. Thank you. As you know I am contemplating a career in property, but now I really don't know. I thought I would try and list down some of the words of wisdom that I have picked up from you and Uncle Bear. Look, it's in alphabetical order. The trouble is that I cannot think of anything bearish starting with the letter K. Can you help?

Bull: I am not really the right person to be suggesting anything bearish, but I do have an idea of what may begin with 'K'. Show me what you have put down.

Some bearish comments which have been overheard by Junior Bear

	Issue	Uncle Bear's Comments
A	Allocations to property	Justifiably low given the sector's current poor performance.
B	Bond yields	Watch out! They are on a knife-edge and could go higher.
C	Construction costs	Off the chart. Think destruction not construction.
D	Debt (commercial)	At these levels, who in their right mind would borrow.
E	Environmental and climate change	Essential, but the red tape is a joke.
F	Forecasts (especially Bull & Bear)	Recently they have not been worth the paper they have been written on.
G	GDP growth	You must be having a laugh.
H	Healey (John)	Forget the Ides of March - Beware 28 October.
I	Inflation	A global showstopper. We know who is to blame.
J	Job opportunities in property	Become an influencer instead - there's more money in it.
K	?????	?????
L	Labour, Conservatives, Reform, Lib Dems	A complete shower. Even Junior could do a better job.
M	Mortgage costs / wage ratio	Absurdly unaffordable, even for property fund managers.
N	NEAT	Shambles. Someone has to get a grip of this and fast.
O	Overseas venture capital (especially US)	At this rate we won't have any decent UK companies left.
P	Putin	A proper scary SOB.
Q	Quantitative Easing and zero interest rates	Helpful at the time, but we are now paying for the inevitable consequences.
R	Regulations, regulations and regulations	A compliance officer's dream.
S	Suspended animation	Time to hunker down for the long-haul.
T	Tariffs	Don't get me started.
U	University graduate entries	Could begin to fall if the market carries on being so sluggish. Why would students choose real estate?
V	Volumes (RE investment activity)	On their back and they are likely to be for a while.
W	WFH	A catastrophic experiment. Perfect for the bone idle.
X	Xi Jinping	What would the late Duke of Edinburgh say?
Y	Yields (property)	Alert! They could easily start to creep up again.
Z	Zoopla	Forget buying a house until you are at least thirty-six.

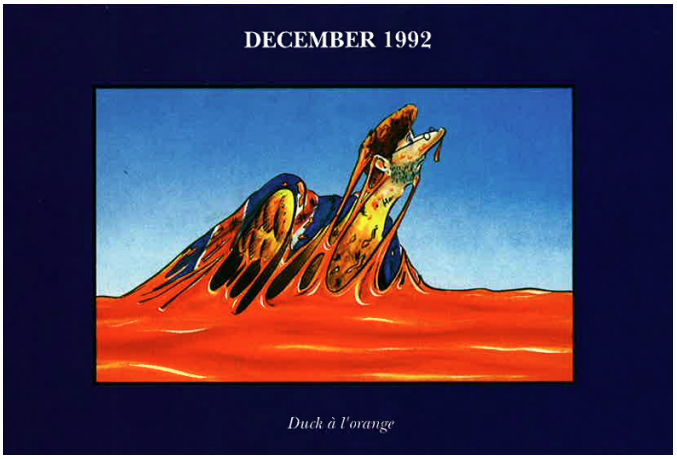


Bull: No wonder you are in distress if this is the bunkum you have been picking up from Uncle Bear. I haven't heard so much nonsense and down-heartedness in years. So, my suggestion for 'K' is … Kick your Uncle Bear up the backside … for feeding you all this doom-mongery.

By the way, what exactly does Suspended animation mean?



Bear: I made that one up, so I had better answer the question. Broadly, it is a reflection that things are neither going up nor down. It is like the market is in limbo. Noone seems to be making any decisions, developments don't stack up, there is no conviction as to the type of assets to buy, hold, or sell. If you ask me, it feels like a repeat of how things were in 1992 when both you and I described the market as being enveloped in a nasty, gooey, sticky gunge with no easy way out. Do you remember we called it 'Duck á l'Orange'. It took 8 years to squelch our way out, and, so far, we are only into the fourth year of this trough.



The front cover of Baring, Houston & Saunders' UK Property Report - December 1992

Bull: That is true, but that is still no excuse for being such a misery-guts and upsetting Junior.

Junior: Uncle Bull, if you don't mind me interrupting, I have also made a list of some of the bullish comments I have overheard you mention over the past few days.

Bull: That's more like it, my lad. Let's see which brilliant gems you have picked up, then.

	Issue	Uncle Bull's Comments
A	AI	Forget all the bad-mouthing, AI is a cost saving miracle.
B	Benchmarking (MSCI/RE:UK)	It's remarkable. No fund manager has ever admitted to underperforming.
C	Credit rates	Great if you are a property lender, which we are!
D	Diversification	It's obvious, and don't let those miserable gatekeepers forget it.
E	Evolution not revolution	Never mind the odd slip-up. Something novel is always happening in property which is why it is so incredibly exciting.
F	Funds and partnerships	Forget the headwinds, let's get out there and sell, sell, sell.
G	GDP	OECD forecasts the UK will be ranked 2= amongst G7 members for 2026.
H	Harmony in historic and new properties	Just listen to the roar of 'Jerusalem - in England's green and pleasant land'.
I	Infrastructure / Industrial Strategy	Andy Burnham has set out his strategy. What could possibly go wrong?
J	Judgement Day	Tuesday, 3 November. Mid-term elections. Fingers crossed!
K	Key Cities	Great opportunities (once development underwritings stack up again).
L	Listed REITs sector (discounts)	It's a no-brainer. Buy while stocks last - which at this rate won't be long.
M	Mid-term elections (US)	Keeping our knees, toes and everything else crossed too.
N	Noise	We need our industry leaders to make much more noise about the merits of the sector. Their current silence is deafening.
O	Overseas investors	We speak English, our law is sound, and we'll take anyone's money.
P	Patience	It's only a matter of time until property's resilience outshines again.
Q	Quantitative easing and zero interest rates	The B of E saved our bacon before and they'll do it again - if we ever need it again.
R	Roller coaster	Don't you just love the peaks and troughs? It's a speculator's delight.
S	St Bride's Managers	They pay our wages. Nothing else to add.
T	Total Return Consensus Forecast 2026	Whatever happens to capital values, the rent (5%) will still roll in.
U	Underperformance	It's temporary. In Q3 2022, property was outperforming over 1, 3, 5 and 10 years.
V	Valuations and Red Book	Marking to market faster than elsewhere keeps UK deals flowing.
W	World City - London	The greatest city on the planet (ex-Tottenham Hotspur)
X	X Factor	Charles & Co (ex-Andrew and Harry).
Y	Yields	They must be high enough now to justify buying again. Surely?
Z	Zzzz	With this great story at our disposal, I sleep like a baby at night.

Junior: Uncle Bull?

Bull: Yes, Junior.

Junior: Uncle Bear tells me not to believe a single word you say. I heard him tell Auntie Bear that you are an arch bull*****er. Is that true?

Bull: Of course it is not true. The fact is that no one knows what is going to happen tomorrow let alone in five or ten years' time. But to be in property, you must have conviction. To some people that looks like a gamble. By his very nature, your Uncle Bear isn't a risk-taker. His conviction is to look at the downside risk. However, if we all did that, nothing would ever be accomplished. In my book, the market is currently dominated by scaredy-cats. But sooner or later, someone will need to stick their neck out.

Bear: Uncle Bull is right. I am the Yin to his Yang. We complement each other. But he knows deep down that I am always right.

Bull: Oh no you're not! But I think this time round we both agree that there is no instant recovery around the corner for the real estate investment market. Thankfully the occupational markets are doing okay so there is plenty of asset management to be getting on with.

Junior: And do you really think I should become an influencer rather than a property tycoon?

Bull: Let's see. Have a look at this glass. Is it half full or half empty?

Junior: That's an easy one. It's half empty. But given my bearish genes, it was always going to be, wasn't it?

Bull: Maybe you should become a lawyer?

