



The effects of the European Central Bank's economic policies determine the course of real estate investment for 2023

The second edition of The District will show how to earn profitability in the property industry by following current central bank guidelines

International executives from Blackstone, Angelo Gordon, Blackrock, Goldman Sachs, JP Morgan, King Street or TPG, will analyze the challenges and opportunities of Real Estate in a context characterized by market volatility

Barcelona, July 13th, 2023 - Economic uncertainty in Europe continues. The EU macroeconomic context is going through a volatile scenario since the war in Ukraine started, a fact that has induced a continuous rise in interest rates. Currently, the European Central Bank has set rates at 4% with the goal of calming price increases and stabilizing inflation. However, experts agree that the reasonable 2% inflation figure set by the institution is still 18 months away.

Thus, the ECB faces the challenge of implementing more measures to contain the generalized rise in prices, so everything indicates that the rate review at the end of July will be upward, something that is expected to happen again in September after summer.

All these measures being taken by the central agency, which differ from the last ones taken by the United States' Federal Reserve, which consisted of not touching rates on this occasion, fully affect the Real Estate market. In regards of residential Real Estate, the increase in rates and financing has put a brake on home sales, which fell by 6.7% last May, compared to 2022, according to data from the Spanish Association of Registrars. As a result, prices are starting to slow down.

To analyze the impact of macroeconomic policies on Real Estate investments, [The District](#), the benchmark event for the European Real Estate capital, will host leaders who are a reference within the industry. **Massimo Saletti**, Managing Director & Global co-Head Real Estate at JP Morgan; **Ana Estrada**, Managing Director Merchant Banking - Europe Real Estate Investments at Goldman Sachs; **James Piper**, Partner at TPG; **Adolfo Favieres**, Managing Director at Blackrock; or **Adolfo Ramírez-Escudero**, Chairman of CBRE in Spain and LATAM, are some of the more than 380 international experts who will guide investors in their decisions for the end of the year and 2024.

Investing in a context of inflation and high interest rates

When Central Banks raise interest rates or reduce the money supply, they increase loans costs, which translates into lower investment returns, in a context where prices are already under stress. On the other hand, when banks resort to quantitative easing to stimulate the economy, they can cause inflation, which leads to an erosion in the value of Real Estate investments. This is why in this environment, alternative sources of financing are sought, with the consequent loss of strength of traditional financing. **Jacopo Burgio**, Director of Real Estate in Europe at Angelo Gordon, and **Carmina Ganyet**, Corporate Managing Director at Inmobiliaria Colonial, will discuss in The District 2023 this relationship between monetary policies and inflation so that Real Estate investors can make informed decisions and know how to deal with market volatility.

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A market that is constantly evolving and that, in addition to the challenges, presents opportunities for assets that are in expansion, such as alternative assets. **Dominique Moerenhout**, CEO of the European Public Real Estate Association (EPRA), will share his point of view on how to navigate the current global situation and identify opportunities for growth and innovation. **Paul Brennan**, Managing Director, Co-Head of Real Estate at King Street Capital Management, will also analyze the possibilities offered by Real Estate investment, development and management in the current times. Brennan will also talk about the issues that capital professionals need to consider, from retail and residential assets to urban and rural areas, in order to achieve maximum competitiveness in the inflationary landscape.

Unnoticed assets

Economic uncertainty also provides an opportunity for investors to dig into previously untapped opportunities. Identifying undervalued properties with potential for improvement, for example, through renovations or operational developments, or betting on distressed or overlooked properties are some of the strategies the industry is considering as it navigates the challenges of the moment.

Itamar Volkov, Managing Partner at Frux Capital Investments, together with **Vanessa Gelado**, Senior Managing Director and Country Head at Hines Spain, will study these operations that can generate higher returns than traditional Real Estate investments, while taking advantage of the impact on the market of economic movement flows.

About THE DISTRICT: is an event organized by [NEBEXT](#), a company specialized in professional events focused on innovation and technology transfer such as [Digital Enterprise Show](#), [REBUILD](#), [Pick&Pack](#), [Food 4 Future – Expo FoodTech](#), [Tourism Innovation Summit](#) or [Advanced Factories](#). THE DISTRICT has a Hospitality area and a congress program in 5 auditoriums - The District World Summit 2023 - the largest European congress on innovation in the real estate industry. It is the main meeting forum where investors and sources of capital from the Real Estate sector who are looking for opportunities, new real estate projects that drive urban transformation, with the aim of designing the future of the Real Estate sector in Europe.

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