



The District will take place from September 20th to 22nd in Barcelona

Executives from JP Morgan and CBRE agree that there are still two quarters left for the Real Estate sector to recover

The leaders met at the launch in London of Europe's leading real estate event from a capital perspective, The District, in which the UK has been selected as a country partner

The meeting focused on the reactivation of Real Estate operations, the most profitable assets at present and the value of ESG criteria

London, 05th July 2023 - The European Real Estate scene will begin to stabilize from mid-2024 onwards. This is the main conclusion that can be drawn from the meeting organized by [The District](#) in London, with the presence of executives from major capital companies such as **Massimo Saletti**, Managing Director & Global Co-Head Real Estate at JP Morgan, and **Jonathan Hull**, Head of EMEA Clients at CBRE. Both analyzed the evolution of the financial landscape over the coming months, with a focus on the general uncertainty currently being experienced in EU countries.

According to what was highlighted at the event, the market will be reactivated within the next two or three quarters, although significant activity is not expected by the end of 2023. Inflation and high interest rates were also highlighted as the two main causes of the slowdown in real estate transactions in recent years, following the pandemic, and which have kept investors in a position of inactivity and "wait and see".

"At the moment the situation revolves around rising prices and interest rates. We have very stubborn core inflation, and interest rates have gone up more than people thought," said Jonathan Hull. *"And I think that's spooked a lot of investors, so they've become very cautious,"* he added.

However, Massimo Saletti wanted to send a message of tranquility in recognizing the drop in rates that had been coming, which is why the yields have now been surpassed. CBRE expert pointed out that movements are being observed in the market *"with some ideas of transformation"*. One example is the entry of Asian capital into cities such as London. *"And London is often where we see change first,"* he said.

The strongest assets

Among the Real Estate assets that are expected to report the most potential are alternative assets. According to investors, data centers are considered one of the bets with which to have a high profitability today, as are hotel assets, with a boom in luxury establishments. In addition, Hull highlighted the opportunity presented by retail repricing, at a time when retail Real Estate is undergoing a price adjustment to adapt to new commercial needs with the stimulation of hybrid purchases.

Likewise, the CBRE executive emphasized the strength and growth of logistics assets. *"We have seen how they have been revalued probably faster than any other market,"* he said. A boost in

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value that he also stressed has occurred in the residential sector, "*where we are seeing a deeper capital base looking for business opportunities there*". Continuing with the estimates, Saletti has pointed out that the progress that is coming off the office asset in the United States, and its consequent "*asset reconvention*", will not happen in Europe. "*This issue also affects the behavior of investors on the continent, even though we don't have the same problem here,*" he said. In this sense, and for the offices to gain interest, the new projects will have to have an added attraction so that employees will want to travel to them, he explained.

Reaffirmation of ESG criteria

Another of the megatrends addressed by the leaders of capital companies was the differentiation that compliance with ESG criteria (Environmental, Social and Governance) brings. Investors are already being advised by "sustainable consultancies" that help Real Estate players to obtain environmental, social and governance certifications in order to be more competitive and profitable. Thus, the goal is to adhere to these criteria "*because otherwise, there are assets that do not receive the capital they need*", it has been highlighted.

The District stops in London, the Real Estate capital of Europe

The event, in which Massimo Saletti and Jonathan Hull participated, is part of the international roadshow being held by The District, the benchmark event for European Real Estate capital, which will take place from **September 20th to 22nd at Fira Barcelona Gran Via**. The London building Searcys at The Gherkin, designed by Norman Foster, has been the place that has hosted the meeting, which has brought together investors from large companies of world-class capital with the president of The District, Juan Velayos, to learn all the novelties of the event, in addition to discovering information of value and interest for their decision making.

The District 2023 will bring together more than 8,000 congress participants in order to identify the main economic patterns and challenges they will have to face at the end of 2023 and the beginning of 2024, as well as projects in which to invest and divest. In this context, the summit will feature Europe's leading Real Estate congress, which will gather more than 380 international experts. Furthermore, more than 250 firms will move their offices to The District, through its hospitality, where they will receive and meet with investors who will travel to Barcelona to undertake new transformative proposals and schedule meetings.

The summit will also have a great agenda of networking activities with the purpose of creating spaces of trust in order to build relationships.

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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