



## Offices and retail, among the assets most affected by repricing in the Real Estate market

**The current economic uncertainty caused by the rise in interest rates is leading to a readjustment in the value of Real Estate assets**

**The District 2023 will gather executives from JP Morgan, Deutsche Finance International, Invesco, Fiduciam and Via Agora to share the repricing and refinancing strategies being implemented in the industry**

**Barcelona, July 19<sup>th</sup>, 2023** - The European Real Estate market continues to stabilize. The rise in interest rates, which have been on the rise for the eighth consecutive time, has caused financing to become more expensive and property prices to de-escalate. As a result, the real estate landscape is trying to adjust the value of its portfolio in order to continue driving the pace of transactions.

According to the industry data, among the assets where this repricing trend has had the greatest impact so far in 2023 are offices and retail, with a significant drop in price due to the rise of the hybrid environment. Another asset that is expected to experience changes is logistics, as its value is considered to have peaked in the current cycle, reaching maximums, although demand will continue to be high due to the structural shortage of supply.

As far as housing is concerned, everything indicates that there will be no surprises for investors in upcoming months, since, as banking reports point out, the price will not undergo significant modifications in the remainder of 2023, with falls that will not exceed 1%, mainly due to the high demand. Therefore, the price correction is already taking place and, according to specialists' forecasts, it will bottom out in the second half of this year.

As a megatrend that began in 2022 with the review of some markets, and that has its continuation this year, [The District](#) will analyze from **September 20<sup>th</sup> to 22<sup>nd</sup>** at **Fira Barcelona Gran Via** the consequences of 'repricing'. **Leticia Fusi**, Managing Director at Castlelake; **Gregg Gilbert**, Managing Director at PineBridge Investments; **Juan Gómez Vega**, Managing Director at Deutsche Finance International; or **Johan Grootaert**, CEO of Fiduciam, are some of the experts who will take a close look the state of the market so that international capital companies can direct their decisions for the end of the year and 2024.

### **The power of asset repositioning**

The repositioning of assets opens a window of opportunity for investors, due to the temporary drop in market prices, although risks must also be assumed in the face of a recovery that is not yet consolidated. **Emilio Colomina**, Managing Director at Mutua Inmobiliaria; **Michele Russo**, Executive Director at JP Morgan Asset Management; and **Cristiano Stampa**, Managing Director at Invesco, will be in charge of presenting the latest trends and best practices in repricing plans, focusing on value creation and boosting long-term performance through design, technology and compliance with ESG criteria.

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In this sense, there are features that complement a property and that can benefit the owner when reconsidering an asset. Appraisal plays a key role here. The District 2023 will dig into this and will feature leaders who will share the process of determining the price of a Real Estate asset. In this regard, the various approaches to valuation, the impact of technology and data analytics, and the ethical considerations involved in the appraisal process will be shared. All this in order to achieve a repositioning of Real Estate and increase the potential return on investment (ROI) in a time of volatility where profitability is being sought.

### **New refinancing scenario**

The market readjustment is also causing the credit landscape to be in a state of transformation. Following the stimulus by governments and central banks to attract funding during the pandemic, the current scenario is working under the facts of illiquidity and rising debt. As a result, traditional lenders, such as banks, are withdrawing or reducing commitments while alternative financing, such as private equity, is booming. Thus, refinancing today may have opportunities to be executed favorably, if market conditions stabilize, although these possibilities may end abruptly with the movement of economic flows.

Therefore, the second edition of The District will go deep into the paradigm shift in refinancing with a view to discovering the 'momentum' in which to carry out this strategy. For that reason, part of the debt that was managed during covid is expected to mature in 2024, so experts believe that there will be an increase in demand for refinancing from borrowers in the next 12 to 24 months.

In addition, the summit will explore the case of 'living' and how developers and buyers have to deal with an increase in financing costs or demand, approaching to exploit new credit models or the same 'refinancing'. **Martin Fauchille**, Head of Acquisitions Iberia at Batipart Immobilier Europe; and **Juan Antonio Gómez Pintado**, president of the Via Ágora group, will share their point of view with the aim of presenting possible solutions to face the current challenges linked to the changing residential scenario.

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**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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