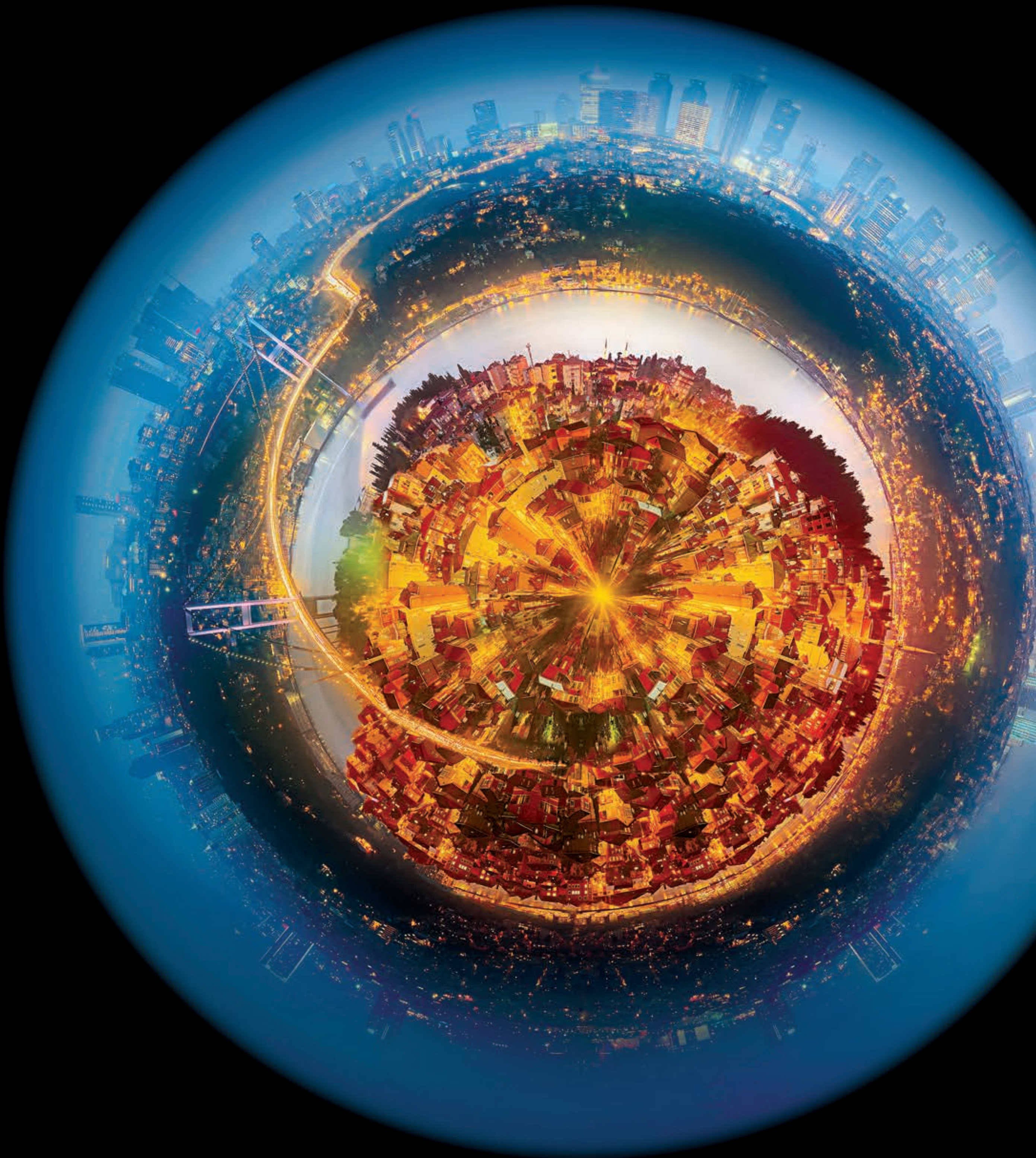

# MIPIM17
# When geopolitical uncertainty meets the digital revolution

**Karine Thil**
Partner
Tax
Deloitte

**Valérie Tollet**
Partner
Tax
Deloitte

**Stéphanie Maschiella**
Director
Tax
Deloitte

**Francesco Piantoni**
Director
Consulting
Deloitte

With over 24,200 delegates attending from 100 countries, including 5,000 investors and financial institutions, MIPIM 2017 once again confirmed its position as the premier international real estate event. This year, it was regarded by many as a test for the health of the marketplace, and notably to evaluate the potential of doing business with some countries in the light of growing political uncertainties in the European Union—notably in France, Italy, and the Netherlands—Donald Trump, and Brexit.

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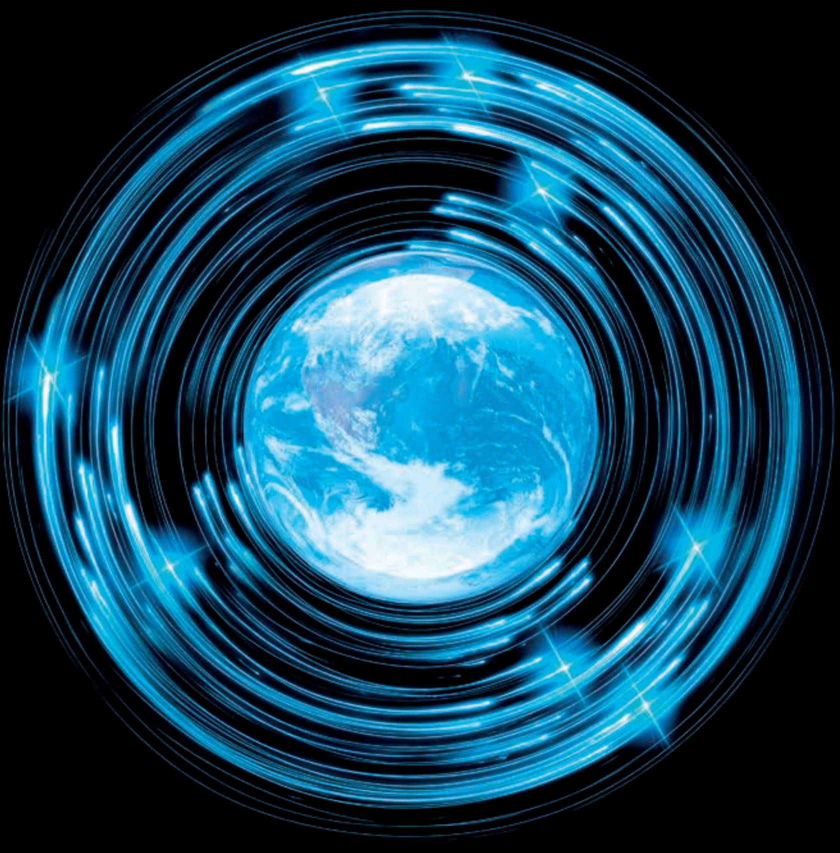

## UK omnipresent

The impact of Brexit on the real estate industry was the topic on everyone's lips. While Theresa May has triggered Article 50 of the Lisbon Treaty, the UK government has significantly increased its presence in Cannes this year to ensure the global investment community understands that the latter is committed to creating the most business-friendly environment possible.

For the first time in its history, the UK government hosted its own pavilion, highlighting their support to promote international investments, and its role in building a positive future for the UK economy in a post-Brexit landscape. This was also reflected in the largest-ever UK presence at MIPIM, with 960 UK companies and cities—up 24 percent from 2016—and over 5,600 attendees.

It appeared that investors remain bullish about investing in the UK, and there is a lot of appetite from Asian and Middle Eastern investors. In addition, major international companies have stepped up their commitment to the UK market with outstanding real estate projects.

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## Other trends

What are the significant trends observed in various markets and asset classes?

**Technology innovation**
Blockchain (the technology behind bitcoin) is a technology that could transform the way the property industry operates, as it could lead to cheaper, faster, and more transparent transactions. Blockchain technology relies on a digital distributed ledger that operates in a shared and transparent environment without the need for a trusted authority to validate transactions. Even if the old ways of doing business will not die out any time soon, blockchain could be widely adopted by the real estate sector in the coming years. The city of Rotterdam, Cambridge Innovation Center (CIC), and Deloitte Netherlands are developing the first real estate blockchain application to record lease agreements. While recording legally binding contracts on blockchain is a first step toward a more efficient and transparent management of real estate, the next step will be monitoring rental payments.

**Offices**
Working practices are evolving with digital disruption, leading to changes in the traditional office building. Occupiers are demanding flexibility and now expect more tailored working spaces, with an increase in the number of open spaces and a greater emphasis on wellness with break-out spaces, fitness rooms, and green spaces.

**Hotels**
Hotel operators are rethinking their development policy in the face of increased competition from the likes of accommodation-sharing websites.

**Logistics**
With the new way of consuming, the logistics market is benefiting from the explosion of e-commerce, and is going to compete with retail for traditional retail space due.

**Healthcare**
An aging population is driving demand for healthcare properties. This sector has emerged as a significant asset class in 2012 when European investment volumes had tripled. More generally, investment managers are searching for yields outside the traditional real estate asset classes, and niche strategies such as healthcare and student housing are becoming mainstream.

**Retail**
In order to compete against online sales, shopping malls need to offer a leisure experience that you cannot find over the internet. Hence, shopping mall developers are striving to make commercial centers capable of attracting and keeping customers rather than being pure retail outlets.

## Conclusion:

Overall, according to Cushman & Wakefield[1], the amount of new capital available for global real estate investments in 2017 stands at US$435 billion, lower than 2016 but still the second highest figure recorded since 2009, supporting the good health of the real estate industry despite the geopolitical and economic uncertainty. This foretells many new investment opportunities to come in a world where the "so far, so good" principle never made real estate players smile so much.

1 Report issued by Cushman & Wakefield and titled "The Great Wall of Money" http://www.cushmanwakefield.com/en/research-and-insight/2017/great-wall-of-money-2017/