



## Asset repositioning and alternative financing: the trends behind high interest rates

**Macroeconomic policies to stabilise inflation and changing habits have led the real estate market to transform its assets and source of credit to ensure profitability**

**Experts from renowned firms such as Carlyle, Sixth Street, Hines, Greykite, Goldman Sachs, Stronghold, Bain Capital and Allies and Morrison will analyse the impact of the macro outlook on European real estate at The District 2024**

**Barcelona, 11 July 2024** - Real Estate in Europe is sensing a positive cycle approaching. Even though in the last two years, due to inflation, interest rates have risen, making mortgages and access to financing more expensive, international monetary policy is now tending to ease these increases. In the case of the European Central Bank, the organism reduced last month the price of money by 0.25%, leaving it at 4.25%, an action that is not expected to be repeated on 18 July, during the ECB's Governing Council, although the door is left open to further reductions in September.

In this context, the continent's economies have gained momentum and, thanks to the dynamism of domestic consumption and exports, have maintained significant growth rates, as in the case of Spain, the United Kingdom, France and the Netherlands. Despite this trend, capital does not lose sight of factors that could change the rules of the game. One of them is geopolitics, with the international conflicts that are currently taking place in key regions for the financial development of the EU. Another is elections, with 2024 being an election year in which more than 100 countries will hold elections to confirm or change governments, as has happened in the UK.

For all these reasons, and in order to analyse this scenario and provide answers to the doubts that Real Estate has, [The District 2024](#), the largest European real estate meeting designed by and for capital, to be held from 25 to 27 September in Barcelona, Spain, will be the meeting where the great leaders will share their point of view from a macroeconomic perspective. Some of those present at the summit will be **Michael Abel**, CEO of Greykite; **Rebecca Schulz**, Senior Expert Logistics Real Estate at Zalando; **Matt Calner**, Managing Partner at Stronghold; **Domingo Etcheverría**, Director of the European Real Estate team at Carlyle; **Jacobo El Mann Jafif**, Vice President of Operations at Allux; **Toni Elías**, Principal at Sixth Street; **Vanessa Gelado**, Senior Managing Director and Country Head of Hines Spain; and **Javier Solís**, Head of Asset Management for EMEA at Goldman Sachs, among others.

### **Asset repositioning, a booming trend**

The transformation in which the real estate sector is immersed is leading to the search for alternative ways of managing assets. One of these options is the repositioning of assets with two paths: refurbishment and profitability. In the first case, the renovation of spaces based on major structural changes is a possibility that is happening to increase the efficiency of a property, its digitalisation or its security, causing an increase in its value, which expands if it meets ESG criteria. This strategy reaches its peak when the purpose of the property changes, for example



from office to living, in order to increase its response in the market. In this sense, experts such as **Adolfo Ramírez-Escudero**, CEO of CBRE Spain&Latam, will attend The District to discuss the keys to the success of this trend, while **James Young**, Head of Investor Services for the Europe, Middle East, Africa and Asia-Pacific regions at Cushman & Wakefield, will examine the readjustment of prices in which some of the real estate segments find themselves as a result of inflation.

In terms of asset repositioning from a profitability point of view, higher quality assets, such as offices or housing in prime locations, stand out as those with lower risk and better returns. All this despite the current context of volatility due to external factors. **Rafael Coste**, Managing Director of Special Situations at Bain Capital, will address the macro trend by providing the factors and opportunities to be taken into account with a view to optimising returns.

In turn, repositioning is influenced by changing habits, a fact that also leads urban environments to consider new spatial planning. From this perspective, **Ignacio Diaz-Mauriño**, Associate Architect at Allies and Morrison, and **Roger Orriols**, Founder of ROA Arquitectura, will explain in The District 2024 what cities can do to take advantage of existing infrastructures. Orriols will also present his vision on the conversion of industrial structures in cities into housing with precepts of efficiency and sustainability.

#### **Alternative financing increases its influence**

The increase in interest rates has led to alternative financing gaining ground in real estate, with players such as venture capital, equity funds and sovereign wealth funds, among others, playing a leading role.

In fact, according to KPMG data based on IMF forecasts, total non-institutional lending to corporate borrowers last year was approximately \$2.1 trillion; and this amount is expected to increase by 2024 given the current level of interest rates. This is also confirmed by Civislend, a company that has developed a collaborative investment platform in the real estate sector, which points out that this type of capitalisation and fundraising to carry out real estate projects and developments will experience a 50% growth in the real estate industry by 2024. This figure, according to the platform, doubles the average annual growth rate recorded for more than 15 years.

In this respect, **Maria José Leal**, CFO of AEDAS Homes, will be one of the specialists who will shed light on the issue of financing, although she will also study the current trends in the traditional sector, looking at the path that bank credit is taking.

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**About The District (September 25-27, Barcelona):** is the largest European event dedicated to Real Estate from an investment perspective. The summit has a Hospitality area and a content program in The District World Summit 2024, the global reference congress on capital structures in the real estate industry, which has 5 auditoriums. It is the main meeting forum where the different Real Estate agents who are looking for opportunities and new real estate projects that drive urban transformation meet with the aim of designing the future of the sector in Europe. The District is an event organized by NEBEXT - Next Business Exhibitions.

#### **More information and press contact**

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