



17-18 October 2018 Olympia, London

Game changers gather for 5th edition of MIPIM UK at critical time for UK property

London, October 19, 2018 – Senior decision makers from across the public and private sector gathered at London Olympia this week to discuss the critical issues facing the UK built environment. This was the 5th edition of MIPIM UK, which has become a key fixture in the calendar of the UK industry and a focal point for investment to connect with opportunities.

Speaking at the conference, Ronan Vaspart, Director of MIPIM, said: “With the Brexit deadline on the horizon, we are all adapting to the new European dynamic and the shifting patterns of global trade. It is our belief that a UK show for the world of property needs to respond to social, political and economic change. The interplay of land, buildings, infrastructure, economics, society, culture and technology has never been more complex and fascinating.”

The conference began with keynote speeches from UK political leaders. Graham Stuart MP, Minister for Investment at the Department for International Trade opened the event with a keynote speech to talk about the future relationship between the UK and EU, and the UK’s independent trade policy. Launching a new £2bn investment portfolio of opportunities across the UK, he stated: “It’s a privilege for me to launch these new schemes, which will provide new homes and jobs for people across the country. The UK is the number one destination in Europe for foreign investment and we will continue to promote opportunities that help people find decent jobs and develop strong communities.”

Sir Vince Cable, leader of the Liberal Democrats, gave his thoughts on the UK’s changing place in the world order, providing his perspective on the Brexit deal and its economic and political implications for property, citing the future of interest rates, Brexit uncertainty and ability to deliver the housing required as major concerns. “New immigration rules from Brexit will restrict the flow of people needed in the construction industry. But even if you build 300k homes a year prices would only fall by 5% so affordability is still a major issue, which current policies don’t address” he said, adding “Building new houses won’t solve the problem. The issue for government is how to resolve the affordability issue while industry builds more.”

With housing high on the national agenda following the announcement by Theresa May at the Tory party conference to end the borrowing cap for councils for housebuilding, the topic was discussed at length by leaders from across the UK. Sir Edward Lister, Chairman of Homes England, speaking at the Cities and Regeneration lunch, continued the housing theme: “We will never get the housing numbers we need in this country without scale – that means bringing large sites forward and that requires land assembly, so we are starting to use our CPO powers.”

Speaking on the conference theme of Game Changing, attendees to MIPIM UK enjoyed an inspirational keynote speech from Stephen Attenborough, Commercial Director at Virgin Galactic, on what is involved in taking a business to stratospheric levels and beyond. He told the audience: "If you are going to be courageous and bring meaningful change, you need to be collaborative. Because we are doing something seeking change for a good reason, it is amazing the people who came to help us get to our destination."

With the outcome of Brexit negotiations still unclear, the conference gave insight into the current investor viewpoints and trends. John Slade, executive chairman of Evans Randall Investors, said: "London is a stable market in or out of the EU and is looked at favourably by the investment community. As a showcase for the London and wider UK opportunity, MIPIM UK is as relevant as ever."

Major investors including Aviva, AXA, Barclays, BNP Paribas, CBRE Global Investors, LaSalle Investment Management, Legal & General Investment Management and TH Real Estate attended MIPIM UK alongside delegations from international investors including Saudi Aramco, Rasameel Investment (Kuwait) and Temasek (Singapore), and Chinese investors Kailong Group, Lui Chong Hing Investment and Fosun Property Holdings.

UK regions were out in force with over 30 cities and regional groups looking to attract investors and support the growth and success of their communities. Andy Street, Mayor of the West Midlands, featured prominently in the conference, participating in the Mayors' Think Tank with the West of England Mayor Tim Bowles and Liverpool Metro Mayor Steve Rotherham, Roger Marsh, Chair of Leeds City Region Enterprise Partnership and Jasmine Whitbread, Chief Executive of London First.

Andy Street highlighted the importance of digital infrastructure: "Let's make transport data available to start-ups. Digital businesses will come up with better solutions – we're trying to use this new way of thinking to solve a traditional infrastructure problem." Steve Rotherham highlighted the lack of investment in physical infrastructure: "We have the least wealth distribution in Europe due to lack of infrastructure. There is a real argument for Crossrail 2 in London but an equal case for Crossrail of the north to get the northern corridor and 16m people properly connected."

Deborah Cadman OBE, Chief Executive of West Midlands Combined Authority was outspoken on the Core Cities panel looking at people and industrial strategy: "The more we can deliver within the current system it will allow us to demonstrate to government to give us more flexibility. We are looking at one of the biggest infrastructure projects with HS2. We want the freedom to work with Homes England to bring skills and growth in that corridor and we are being constrained by government to do so."

Innovation and disruption continues to be a core issue for the real estate community in the UK. From the potential for autonomous vehicles and magnetic levitation to change our cities, to how Blockchain and artificial intelligence are disrupting property transactions, technology was at the forefront of the MIPIM UK debate. Blockchain is seen as having the potential to open up new opportunities for financing projects on an international level and once the legal framework is established, the 'tokenisation' of projects will enable new forms of fundraising and investment.

A new white paper prepared by data and analytics provider STR, with consultants from PKF hotelexperts, was launched at MIPIM UK this year, announcing that the UK's hotel sector has experienced 4% annual growth in revenue per available room since 2010. Speaking about this growth

in the UK hospitality sector, Thomas Emanuel, STR's director of business development, said "This growth in demand has lifted occupancy levels and led hoteliers to push ADR. High absolute occupancy levels have not just been limited to London—other regional cities have been strong when compared internationally."

With the seemingly unstoppable rise of flexible working and a variety of co-working operators now on the market, our experts looked at the future for this disruptive market trend. A diverse range of end-users and occupiers attended MIPIM UK this year, including Renault (France), represented by Cecile de Guillebon, VP Real Estate & Facility Management, who commented "Real estate is a way for us to attract and keep the best people, enabling us to perform as a competitive business. MIPIM UK is an opportunity for us to get to know the UK market and understanding the impact of Brexit on our business." Other occupiers included ArcelorMittal (Luxembourg), Big Yellow Self Storage, Google, Halliburton, Jaguar Land Rover and Kuehne+Nagel. Enrico Sanna, CEO and co-Founder of co-working provider Fora, said it was impossible to know what the workplace of the future will look like, "We look at how people work and listen to what they want. Human interaction still drives everything. People will always want to be around people."

Closing the event, Ronan Vaspart, Managing Director of MIPIM UK said: "Brexit, in whatever form it takes, will impact the UK economy and real estate. As MIPIM UK reflects the property sector in the United Kingdom, the event will adapt to suit these changing times, with a global outlook and city leaders from the UK and across the world playing a key role. Together we will explore the expanding needs and interests of the built environment industry, which plays an ever more critical part in the success of our cities, places and people."

About MIPIM UK:

MIPIM UK – is the largest domestic exhibition and conference for property professionals, providing a marketplace for UK players and international investors to meet, discuss projects and opportunities and to do business. The two-day event takes place at Olympia from 17th-18rd October 2018.

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