



## **Capital Economics, CaixaBank and CBRE agree in The District with the reactivation of the sector driven by the end of the rise in interest rates**

**Leading investment funds have announced at the summit the arrival of "more positive times" for closing deals after years of capital being held back**

**Colonial announces that offices continue to transform into greener assets with better user experience to increase profitability**

**Barcelona, September 21, 2023** - The second day of The District was dedicated to the study of the future of the real estate market in the Eurozone and how inflation, interest rates and macro policies are affecting the stability of the real estate landscape. In this sense, the experts who attended the summit this morning focused on continuing to focus on the quality of locations when choosing where to invest, in a near future where less risk will be seen, but with the same returns for those who have capital.

Investment fund experts have highlighted the challenging environment for capital today, where the most important thing is to have balance, be patient and have the courage to take risks on the deals you really like. Also, several voices have been heard stating that it is going to be a great time to invest soon, so more positive times are coming for market movements after a time of held back trades.

### **Identifying new trends, transformation to green assets and liquidity, the keys to success**

As for offices, an asset that is being hotly debated in The District due to the current uncertainty, **Enrique Martínez Laguna**, Executive Managing Director of CBRE Spain, was emphatic, pointing out that "the end that some people are announcing [for offices] is not going to happen. The companies that are returning to face-to-face offices represent a great opportunity for buildings". **Carmina Ganyet**, Corporate Managing Director of Inmobiliaria Colonial, added that "we have to identify the right product and turn it into an experience destination. This means having the relevant 'commodities' in the office or a more flexible design. Regarding asset reconvention, Ganyet added that "now is the time to turn buildings into green assets. Transformation makes money.

For his part, Martínez Laguna took stock of retail and hospitality, two of the assets that investors questioned at the beginning of the year due to the volatility of profitability, as a result of the change in post-covid habits: "As for retail, it has shown stable flows for a long time, so investors can see that it will not be the apocalypse that was predicted. Hotels are also performing very well. In fact, in the first half of 2023, in Spain, there was an investment volume of 5,000 million euros, 1,500 million of which was in hotels," explained the CBRE executive.

As for the assets with the most potential at present, Martínez Laguna has identified "data centers, healthcare and student housing as the main opportunities for growth. In these assets the supply is almost 100% because they are creating the market now, so the risk of lack of rental growth does not exist. For his part, Ganyet left a final piece of advice to the attendees: "we have to get liquidity

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and try to be in a position of strength. We also need to understand and play with the new growth trends, go green and be very selective.

### **Interest rate hikes will peak in the euro zone**

**Andrew Burrell, Chief Property Economist at Capital Economics**, a financial guru specializing in portfolio management, real estate development, asset management, forecasting and market analysis, shared his thoughts in The District on Thursday. Burrell has channelled his speech on what will be the future of real estate yields in the Eurozone, and has admitted that "yields are likely to continue to rise in the coming months", although "we must look at where they will be in 5 years to know where to invest".

In reference to interest rate rises, Burrell estimates that "they are close to their peak, but they are not going to fall much over the next five years". Faced with this new scenario, the way of analyzing European cities has changed due to these new rates, so that "we see a fairly strong increase in property yields from this year onwards. Although, admittedly, the problem is that there is little mileage in understanding yields, as it is a rapid rise, so for the future it is only a soft forecast."

Likewise, the Capital Economics executive shared his optimistic feeling "in the coming stabilization of inflation rates, although it will take time to return to the previous situation of normality. We do not expect rent to exceed inflation in any industrial sector".

In the same sense, Pedro Álvarez, economist at CaixaBank, said about interest rates "that we have already received the signal of the end of the adjustment cycle, although inflation is still high and for a long time, a European recession is not foreseen. We expect interest rates to start falling in the second half of 2024".

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**About The District:** is an event organised by [NEBEXT](#), a company specialised 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 programme 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 come together to seek 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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