

MIPIM-Special

At 25 Mipim celebrates past and looks to the future

Als vor 25 Jahren die erste internationale Immobilienmesse in Cannes stattfand, war der Start des Marché International des Professionnels de l'Immobilier – kurz Mipim – alles andere als einfach. Nach dem Ende des „Kalten Krieges“ befand sich die Welt am Anfang eines politischen und wirtschaftlichen Wandels. Grenzüberschreitende Immobilieninvestitionen waren selten und am Messekonzept bestanden erhebliche Zweifel, wie der Autor weiß. Doch wie kaum eine andere Veranstaltung dieser Art spiegelte und spiegelt die Mipim die Evolution der Immobilienwirtschaft wider. Durch den „Kulturaustausch“ hat die Branche an Internationalität, Transparenz und Selbstbewusstsein gewonnen. Dieser Wandel wird weitergehen und wiederum die Mipim in Richtung einer Arbeits- und Stadtentwicklungsmesse verändern. (Red.)

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Think back to 1990. The World Wide Web became operational. West Germany won soccer's 1990 Fifa World Cup, the last time West Germany would compete before the country was reunified later in the year. Nelson Mandela was released from jail. The general public discovered the Ozone Layer had a worrying hole above the North Pole. France and Britain were joined for the first time as Channel Tunnel workers completed the initial phase of the undersea rail link. And British Prime Minister Margaret Thatcher resigned ... but not because of the Channel!

Meanwhile Mipim, the world's property market, opened for business in Cannes, France. For the 2,000 real estate 'pioneers' who attended the inaugural fair, armed with over-sized, first-generation 'mobile' telephones and fairly slim international address books, the first Mipim was a learning experience. "When we launched Mipim there really wasn't any international business," confirms Thierry Renault, Director of Mipim from 1990 until 2010. "The only country that had an international approach to property was Britain, primarily through its Commonwealth connections. A Bel-

gian property expert would have been unable to give you the name of a French developer and the United States was totally focused on its internal market. Even the British weren't that active in Europe."

Ironically, although Mipim was held on French soil and was to develop into the leading international real estate event, initial support from the Gallic government was lukewarm. Indeed, Yves Bousard, then Vice President of France's Federation Nationale de l'Immobilier (FNAIM), recalls that he had to lobby hard with successive French housing ministers to persuade them that the fair had its place in Cannes. "The French government didn't see any interest for France in such a gathering around real estate," he comments.

EMEA Chairman at CBRE, Mike Strong, remembers that at the launch of Mipim, real estate business was predominantly national. "In 1990, global trade was only a fraction of what it is now. There had been some cross-border deals into Paris, London and a few other European cities, but very few beyond that. In 1990, when selling a building in London, 95 per cent of the potential purchasers would have been from the UK. Now, 60 per cent or more will be from overseas."

According to Thierry Renault, confirmation that the concept was being accepted happened in year three. "That was when we saw that investors were attending in good numbers and that American investors and end-users began to come to Cannes." However, Renault and his initial exhibition team of six full-time staff, faced one of their biggest challenges in 1991. When an international coalition launched Operation

Desert Storm against Iraq in January 1991, it was on the eve of the fair.

"Given the uncertainty of the security and travel situation, some French exhibitors started to cancel and it looked like the event might implode," says Thierry Renault. "We mobilized the entire Reed MIDEM staff to fax and call clients to reassure them that Mipim would take place. I have to say we got extraordinary support from German exhibitors, as well as great backing from the UK, Spain and the United States."

Fast forward 25 years and the Mipim population has grown from 2,000 delegates to an expected 20,500 participants, representing 80 countries, including 4,500 investors. Much has changed – not just the size and efficiency of mobile phones. "Obviously one of the most striking developments since 1990 has been the opening up of certain countries and regions to inward investment and the arrival of new investors on the international scene," notes Filippo Rean, who took over as Director of Mipim in 2010. "China didn't invest outside its borders in 1990, now it does. The Gulf States like Qatar are investing far more internationally than they were 25 years ago. Today there are also many more opportunities for outside investment in Eastern Europe, Russia, China, Brazil and Turkey than was the case when Mipim was launched."

With urban development so often the driving force behind real estate growth, cities have been at the centre of the fair since the outset. Today, the exhibition hosts over 50 city pavilions from Berlin to Barcelona via Moscow and Istanbul. The biggest change over the past 25 years is that rather than simply promoting themselves as investment opportunities, these cities, particularly their administrators, now use the fair to discuss long-term sustainable development policies and best practices. Since 2009, Mipim has hosted the international Mayors' Think Tank, bringing together senior representatives from some 80 cities to discuss key issues facing the world's major urban conurbations.

British architect, Sir Terry Farrell, who has worked extensively in Europe and

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Asia, describes the migration of populations towards cities as nothing short of a "revolution". The extent of the trend is clear in one of the three Countries of Honour, Brazil, where 87 per cent of the population now lives in cities. And for CBRE's Mike Strong, businesses, which sought to re-locate to out-of-town business parks in the 1990s, are now heading back into city centres in order to attract an increasingly demanding workforce. Over in Moscow, the massive development being driven through by the Moscow City Government has involved a huge 17.4 billion Euro investment in a new metro programme with a further two billion Euro earmarked for road construction this year.

"The huge changes in cities and the general acceptance that change involves the notion of sustainable urban development, is part of Mipim's DNA", comments Filippo Rean. "At the Mayor's Think Tank we'll be taking a hard look at maximizing existing resources and in the Mipim Innovation Forum we'll examine innovative solutions targeting energy efficiency, smart buildings and smart cities."

Another key real estate evolution that has been reflected at Mipim over the

years is the notion that property is an investment asset class in its own right and most recently, that within the overall real estate industry, investors, including Axa Real Estate and Greystar Real Estate Partners, are now looking at 'alternative' assets such as student housing, sports facilities, residential care homes, healthcare and infrastructure. In Germany, for example, the growth in the number of students since the 1990s has not been matched by an increase in student accommodation, making this sector a potential target for the right investor.

"With over 4,500 international investors present at Mipim, it is normal that there is a wide variety of investment targets and priorities," notes Mipim's Director. "In 2012, we launched the RE-Invest Summit for managers representing key pension funds, sovereign wealth funds, insurance funds and other institutional investors. This is an arena for them to discuss the future of the industry. This year, for the first time, major investment companies Amundi and Allianz Real Estate have agreed to host seminars on new trends in real estate investment. We will also be paying attention to residential real estate, with a special focus on

the German market on March 12. Residential projects have always been present at Mipim, but because this has been a complex asset to invest in, they have been relatively low profile in the past. The professionalization of the residential market has made it more attractive to investors."

While Mipim 2014 will celebrate 25 years, the event is also resolutely looking forward to what is in store for the property industry. Industry leaders will share their views of the next 25 years of real estate in 'The Big Debate', while experts from the Harvard Business School and the OECD will bring their expertise to discussion on the outlook for the property sector.

Gazing into his own crystal ball, Filippo Rean believes digital technology will play an important role in the future of real estate as open, digitally-connected work spaces and internet retailing drives change in the approach to office development, traditional shopping malls and high-tech logistics platforms. "It's a fascinating time to be in real estate," concludes Rean. "I think the next 25 years will be just as exciting as the first 25 years of Mipim."

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