GRI EUROPE SUMMIT 2021

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Summaries provided by students from the Real Estate and Sustainable Development Chair at ESSEC Business School

GRI EUROPE SUMMIT 2021

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GRI EUROPE SUMMIT SUMMARIES

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1- POST COVID ACCELERATED TRENDS – OPPORTUNITIES & STRATEGIES

Chair: Nathalie Palladitcheff – President & CEO Ivanhoé Cambridge

The health crisis caused by Covid-19 had a very strong short-term impact. However, one should not be overwhelmed by the short-term effects and see also the long run; one should therefore be cautious about the effects of COVID over the long run as its effects are different depending on the country and the socio-economic context.

Flexibility and office space:

- The Covid-19 pandemic did not bring about the home-office but generalised it. Workers are very demanding and organisations will have to adapt (although this will differ between sectors, countries, companies, etc.). Some fear the impact that remote working may have on careers, but the effects of home-office before the crisis will probably not be the same as after the crisis.

- Flexibility is also affecting landlords, who historically preferred to lease very large spaces to large groups on very long term. Today, investors are more willing to lease smaller spaces to different companies (start-ups or tech) with more flexibility in the leases.

- If we push the logic of workplace flexibility to the extreme, there is a risk that in the long term this will create social dumping because companies will employ labour where it is cheapest.

Impact of the crisis on the different real estate asset classes:

- Retail: the sector has been negatively impacted by the crisis and some locations more than others. The majority of European cities are expecting a rapid recovery, whereas it will be more difficult for the peripheral malls in North America.

- Residential: This is a very popular asset class at the moment. The need is global, the need for housing is huge. For example, a large Canadian investment fund has built manufactured homes in the United States, which was unthinkable for this fund a few years ago.

- Logistics: A sector that has benefited greatly during the crisis. Its potential today is very uneven depending on the location. In some places, we are seeing catchups (in Canada and Europe)

ESG, what is really behind the words?

- Today, companies are being pushed to commit to ESG issues. They are pushed by their shareholders, by the occupants of the buildings and by the competition to attract young talents who are particularly attentive to these issues.

- The notion is still relatively vague and should invite everyone to take a position and commit themselves as much as possible to this axis.

- It is possible to bring existing buildings up to standard without spending more money, but by reallocating capital. The question "What can be done differently?" should be asked rather than "What more can be done?".

2- INVESTMENT CYCLE RECOVERY – SUNNY SIDE UP OR RISKING OVER EASY?

Co-Chairs: Evan Z. Lazar Dentons, Ana Estrada Goldman Sachs, Karim Habra Ivanhoé Cambridge, Marco Plazzotta Namira SGR p.a., Michael Zerda LaSalle Investment Management, Nadra Moussalem Colony Capital, Pedro Antonio Arias Sienna Investment Managers, Robert Cotterell Cromwell Property Group

The post-pandemic period is atypical and it is therefore complicated to situate the current investment cycle. Indeed, the term "recovery" may seem inappropriate to describe the current period, as the impact of the COVID-19 crisis on the markets is much weaker compared to the crisis of 2008 or those of the early 1990s.

- While in the early months of the pandemic the number of transactions dropped, the **market is now flooded with capital** and property values have not collapsed as they did as a consequence of the 2008 crisis.

- Transactions at **record prices** have been completed, which suggests that there is a great deal of **optimism** in the markets. This optimism is due in part to monetary and government policies that encourage investment, but also to the high prices of other assets (notably equities).

- However, players seem **divided on the growth potential** of the current real estate market. For one of the investors involved in the debate, growth will be there at least for the next two years (thanks in particular to monetary and budgetary policies), while for another, the end of the growth cycle is approaching and a reduction in demand will put pressure on rents and then on prices.

Investment cycles for the different real estate asset classes:

- **Logistics**: the sector has been boosted by the health crisis. Some assets have been sold at very high prices, unheard of until now. As a result, capitalization rates have fallen to between 4 and 6%; however, some assets are trading at much lower rates. There is still growth potential provided that we invest in the right locations and in differentiating assets (we should not follow the crowd).

- **Retail**: the sector was severely impacted by the crisis and the recovery is uneven across geographic regions (very strong in China, strong in Europe, weak in North America). Investors remain cautious, but the existence of opportunities and the prospect of higher returns than in other asset classes continue to attract them.

- **Residential**: this is a new and fast-growing market (even though in Germany it is an old market). This dynamic is explained by the convergence of rates of return between residential and office and by the sophistication of the residential asset market (existence of real portfolios, different investment strategies, etc.).

- **Hotels**: the sector has been negatively impacted by the crisis. However, it should be noted that situations vary greatly from one asset to another; in some locations, values are reaching historical heights. In addition, the sector could take advantage of the remote working trend to create new revenue streams.

3- STUDENT HOUSING & CO-LIVING - STILL IMMATURE OR STABLE DIVERSIFICATION OPPORTUNITIES?

Co-Chairs: Samuel Vetrak Bonard, François Roth Livecolonies, Peter Noack Zeitgeist Asset Management

The number of students and young workers is increasing while the supply is very low and sometimes beyond the budget. In addition, the number of international students has been increasing over the last ten years, especially in France, Germany and Poland. The European market is largely undersupplied.

Definitions of coliving and student accommodation

- Student accommodation, most of which is located near universities and colleges, is a collective building complex (consisting of 80 to 120 units) designed to accommodate a student population.

- Coliving means sharing common spaces while having a private furnished and equipped apartment (individual rooms, studios or small apartments), with an all-inclusive rent. The difference from student residences is that coliving is intended for young workers.

Description and location

- There is a difficulty in defining student accommodation as it differs from country to country, which can hinder access to simple building permits. It takes 3 years to build student accommodation. Depending on the country, there is a minimum square meter requirement for each unit and mandatory supplies.

- Student accommodation is located either in a large city or in a city with tertiary education institutions, near public transport connections. It is in a spatial proximity to educational institutions. There needs local shopping facilities, gastronomic offers, sports, …

Return and vacancy

- UK is the market leader in transactions of student housing in Europe by volume and number of beds. The student housing asset class has grown steadily over the last decade, with an increase of the average price per unit.

- Large investment funds are stepping into the market because the promise of returns is so strong. Among the countries that attract more and more students each year, all of them show an average return of more than 4% per year (UK, German, and France). We also see a maturity of this asset, especially in Italy where the yield has gone from 7 to 5% in a few years (except Milan).

- Although there is a turnover of tenants adapted to the academic years, it is possible to develop a tourist rental offer during the summer in order not to lose in return.

COVID-19 crisis

- Since the COVID-19 and the online courses at universities, students have returned to student residences. Occupancy has returned to pre-crisis levels.

- The impact of the pandemic on student numbers is not yet precisely measurable.

Conclusion:
The student residence and coliving markets are not fully mature but are no longer immature. They are becoming an interesting opportunity as an alternative to the residential market.

4- 'ON DEMAND' BUILDINGS – ARE ALL CONSUMERS TECH-SAVVY THESE DAYS?

Co-Chairs: Robin Rivaton Eurazeo, Ami Kotecha Amro Real Estate Partners, Graziella Roccella Planet Smart City, Julie Alexander PfP - Places for People, Perttu Rönkkö NREP

Has there been real returns on investments in 'on-demand' buildings?

- It is still too early to assess the returns, but as tech helps to understand the assets and how to manage them better, all were convinced that returns will come.

- Improve methods of work: tech has taught the participants how to attract tenants without using brokers. It allows companies to insource tenants acquisition and be more customer-centric in the way buildings are formed. It also paves the way for digital onboarding and experiences that allow the multiplication of "touch points" with the tenants.

- Reduce costs: the constant monitoring of on demand buildings allows for a better management of energy consumption. When digitized, the energy savings are deemed to be reduced to 20% to 40%

- Build better models: "on-demand buildings" allow operators to monitor and gather data, which consequently allows them to build better models with more accurate assumptions. They can collect data on the origin of tenants, the channels of sourcing they used, their length of stay and interactions with the operator.

Are COVID changes permanent?

- COVID accelerated trends that already existed in the industry and showed all how technology can be used for the better. Many boards today are beginning to realize the importance of implementing digital solutions in businesses and in buildings.

- **Technology is an enabler** in a customer-centric business. It allows to solve pain points, but it needs to be humanized, which was not possible during COVID.

- **Covid has changed the way companies attract and keep tenants:** the lockdowns have enforced the notion and need for a sense of community. During these times, there was a proliferation of chat groups between individuals, to share and keep in touch. Nowadays, the groups are no longer used. The questions about how to retain tenants and how to keep them connected to one another, remain.

5- FUTURS BESOINS EN BUREAUX : L'EMPLACEMENT EST-IL PLUS IMPORTANT QUE LE PRIX ?

Co-Chairs: Cédric Dujardin BlackRock, Arnaud Malbos Ivanhoé Cambridge, Christophe Burckart IWG – France, Ingrid Nappi ESSEC Business School, Olivier Katanpbb Deutsche Pfandbriefbank, Philip Gaillard HRO, Rémi Monqlon Benson Elliot, Romain Allouch WeWork

Avec la crise du coronavirus et la généralisation du télétravail, l'utilité du bureau a été questionnée : comment les employés souhaitent-ils travailler ? A quoi ressemblera le management de l'immobilier post-covid ? Va-t-il y avoir un "retour en arrière", au retour au bureau avant-covid ?

Il existe différents besoins en bureaux :

- Selon les sociétés : Paris est particulièrement adaptée aux sociétés telles que les cabinets d'avocats ou les grandes banques d'affaires qui ont le budget, alors que d'autres entreprises trouveront des bureaux plus fonctionnels hors Paris.

- Selon les CSP : les CSP+ voient les bureaux comme un espace de rencontre et d'échange, les CSP- comme un vrai espace de travail et de concentration, n'ayant pas tous un logement adapté au télétravail.

Le télétravail a eu un impact sur la vision des espaces de travail de demain :

- Le télétravail est adapté aux CSP+ et aux grandes entreprises, qui ont trouvé le moyen de faire une économie énorme et de réduire leur impact carbone.

- Beaucoup d'entreprises souhaitant l'intégrer doivent trouver un juste équilibre et bien manager le télétravail pour faire des économies sur le long terme.

- Car le télétravail comporte des limites : coût social et humain immense, pas de sentiment d'appartenance créé surtout pour les jeunes diplômés, middle management inefficace, économie de productivité des salariés.

On peut déjà se représenter les caractéristiques du bureau *prime* de demain :

- La localisation *prime* est proche des transports, mais pour motiver les salariés à se déplacer, l'espace et l'environnement doivent être de qualité.

- La sécurité des bureaux est indispensable.

- Les bureaux *prime* doivent pouvoir être densifiés et modulés au besoin pour inclure des activités et services.

Les quartiers de bureaux de la région parisienne présentent des atouts différents pour l'avenir :

- Le QCA est un emplacement qui va rester *prime*. Il accueillera le *core* des grandes entreprises, ou de nouvelles entreprises ayant diminué leur empreinte immobilière. Les prix y sont chers, mais un palier semble avoir été atteint.

- Paris hors QCA offre des quartiers sûrs où il n'y a pas que des bureaux mais aussi des logements et de la vie. La demande et les loyers y sont en hausse.

- La Défense offre de très bons services et des prix très bas. L'administration s'y est améliorée et un nouveau RER la desservira bientôt. En général, les 1ère et 2e couronnes offrent de larges espaces et des prix réduits.

Conclusion :

Le bureau demeure indispensable malgré l'essor du télétravail, ce dernier ayant aussi un coût important pour l'entreprise.

L'option optimale de bureau dépendra de l'utilisateur La qualité de l'actif compte plus qu'avant, mais cela ne doit pas se faire au détriment de sa localisation : les emplacements les moins attractifs sont le plus en perte de vitesse.

6- HOTELS TRANSACTIONS & INVESTMENTS – CAPITAL BOUNCEBACK OR STILL IN TOO DEEP?

Co-Chairs: Lorcain Egan Starwood Capital Group, Dieter Kornek TUI Hotels & Resorts, Dr. Andreas Otto CMS Hasche Sigle, Jacopo Burgio Angelo Gordon, Jan Janssen Goldman Sachs, Jerome Lassara Accor Hotels, Maria Pia Intini CitizenM Hotels, Rami Badr Orion Capital Managers, William Duffey JLL

The crisis caused by COVID-19 has negatively impacted the hotel sector. However, the investment market in this asset class was better in 2021 than in 2020 (up 20% over the period) and should continue to grow in 2022.

- Investors are betting on a **rapid recovery** and are offering low rates (and therefore expensive prices) given the context of the crisis as we know it today. This is a risky bet, which explains why in 2021 (YTD) **private equity funds are the leading investors** in this market in Europe (58% of the volume), followed by institutional investors (15%).

- The rise in capitalization rates and the low cost of financing still offer good opportunities. However, some high-end assets or assets in central locations are already trading at similar rates to 2019 (around 4%).

- Assets that are less ESG-compatible are being shunned by investors.

- The abundance of capital makes it **difficult to acquire** the most highly rated assets. Investors need to distinguish themselves through financial credibility, asset and market knowledge, and by strategizing with operators to reduce costs and generate more revenue from the same space (e.g., by offering a coworking service).

Has the health crisis had an impact on consumer behaviour?

- Consumers are **more demanding**: they want more space, a more digitalized service, an expanded service offering (kitchenette in rooms, coworking spaces, etc.) and greater booking flexibility.

- **Domestic destinations** have been favored by customers (the Mediterranean region thus fares better than far-flung destinations like Asia).

How has the health crisis impacted relations between investors and operators?

- In Germany, investors have realized in spite of themselves that the legal protection offered by *fixed leases* was not a solid guarantee in case of difficulties. They are therefore **more vigilant** in their choice of operator.

- Investors are expecting more and more in terms of **ESG**. Buildings have to obtain environmental certifications, implement waste and energy reduction strategies, etc.

7- LIQUIDITY IN LIVING - HOW IS SCALE, SPACE, RENT AND DEMAND CHANGING?

Co-Chairs: Stan Kubacek Heimstaden, Daniele Russolillo Planet Smart City, Kirk Lindstrom Round Hill Capital, Margaret Sweeney I•RES

Although there is a convergence between the European economies, the residential market remains very locally rooted and independent for each country.

Investment and offer

- The demand for European residential real estate remains extremely high, with the biggest rise in investment volumes of any real estate asset class in Europe over the last investment cycle, accounting for 22% of investment activity in 2020.

- The residential stock varies greatly in different European countries. The largest stock is now in Portugal, Spain or France. The smallest stock is in Ireland, which is still facing a housing shortage, more than 10 years after the financial crisis.

Strategy

- Depending on the country, residents choose to be owners. For example, in Italy, there is a large number of homeowners. The owner-occupied residential market is relatively affordable, which is why many Italians prefer to buy a home (80% of owners).

- Limited planning capacity, availability of land for development, and conversions or repositioning of other assets to residential all mean supply is lagging demand from households, and is ensuring that a housing shortage will persist for the foreseeable future. This ultimately benefits both net cash flow and total returns.

- Developers today are building homes to sell, not rent. The return is greater and there is less tax (for example, renting in Italy is subject to VAT).

- In Ireland, particularly Dublin, the government has had to start regulating the residential market. There is a lack of supply and due to the low return on investment, investors prefer to develop other more profitable assets. There is a real housing crisis.

COVID-19's impacts

- The COVID-19 crisis has had a stronger impact on the supply of newly built dwellings. Indeed, during the first lockdown, the pandemic slowed or even ceased the number of projects under development.

- There is a question of new needs for residents, especially if they are to work remotely. The concern is that not everyone can afford an extra room in order to work from home, as this makes the price easily more significant. In addition, not all jobs are possible from home.

Conclusion:

Residential is becoming a secure and attractive market for investors. However, with the lack of supply and the increase in construction budgets for new housing, there is a risk of inflation. For some investors, regulation is needed to avoid inflation in this sector.

8- RAISING AND ALLOCATING CAPITAL – DRY POWDER EN MASS BUT NOWHERE TO GO?

Co-Chairs: Anthony Biddulph JLL, Adrian Karczewicz Skanska Property Poland, Chris Taylor Federated Hermes, Dobrin Staikov Lion's Head, Etienne Pax Colony Capital, Florent Danset Alte

2022 is suspected to be a fantastic year for capital allocation, but in a different form. While 20 years ago investors talked about the assets and capital allocation, nowadays occupiers and ESG become more relevant and need to be taken into consideration in the creation of income flows.

Are there some assets or sectors investors want to get out of?

- ESG has a huge impact today as investors are striving for them. How to manage it in a repositioning point of view?
- The lending landscape is changing as less traditional lenders are willing to lend to sectors which are constantly bashed such as hospitality or retail. A big part of the economy is still functioning artificially through government subsidies for the time being, but will soon stop. Once it happens, the failing sectors will clearly appear then.

What future for the retail industry?

- Even though retail is currently bashed, its tenant's market is still very strong. Debt is starting to come back, which let's think that equity will too soon.
- There is today a severe repositioning and repricing of retail assets which are deployed at modest rate of returns. Yet, this phenomenon was only accelerated by COVID, there was a preexistent need for conversion and adaptation. The real estate companies who will lead in the next decade are those who will best succeed in differentiating and in underwriting conversion plans. There is still room for huge improvements.
- Retail has great opportunities for the future, but it needs to be rethought as well as all the other sectors.

What changes did COVID bring in capital allocation?

- The industry has been turned upside down as life insurances or pension funds have started buying real estate to buy yields in the place of fixed income such as OAT or pension bonds.
- COVID brought up the crisis of raw materials, and the question of their cost burden. The budgets should be controlled as investors need to find smarter solutions to limit costs.
- High opportunity for ESG compliant assets. An investor argued that there will be a short-term window where funds will buy some ESG compliant assets to better their portfolios before selling them. The time is today at ESG assets.

Conclusion:

- The capital allocation scene has been profoundly mutated by COVID, and new sectors gained huge momentum: e-commerce, logistics, multifamily.

- In terms of value-add investments, there is a wall of money looking for opportunities. The question is: where will it go?
- The future is very promising and exciting for real estate, as companies will be forced to innovate to reposition their assets.

9- DATA - UNLOCKING VALUE AND IMPROVING ASSET PERFORMANCE

Co-Chairs: Florian Stadlbauer Commerz Real, Chris Zissis Nuveen Real Estate, Emmanuel Verhoosel Fluxus Ventures LLP, James Power SEGRO, Justus Wiedemann Quantrefy, Robert Heekelaar Prologis, Sebastian Abigail VTS

The real estate sector is 20 years behind the revolution of digital transformation, including data. It is happening but not so loud and so fast: where is the change? For many companies a silent change is much worse than a big boom.

There are interesting uses of data in the real estate sector:

- You can use internal data to make investment decisions.

- Data helps you know your building and thus, improve the asset performance. For example, data helps to check building anomalies thanks to sensors. However, it takes time and money to see the higher value of such well-equipped buildings. It is harder to get data in existing buildings.

- There is a new space for operational data: ESG, especially energy.

Data must be well included into and adapted to the decision making process to improve asset performance:

- People don't need the classic data dashboard, it is a glorified sheet that is useless in this state for asset performance. It's not only the data itself which is important, but also its analysis.

- One big data challenge is then to move from analytics to action. To do so, data must give the relevant information to the decision makers.

- Data needs to be standardized so the decision makers can cross/aggregate information (consumption, tenant behavior, occupancy of meeting rooms) and act. But at some points of the process, precise data points will be needed too.

- In the future, we might not need to think about analytics anymore. We will make digital plans and think more about the "so what?" rather than the "what".

Data people have a huge role to play in making data useful and unlocking value:

- Their role is to tell the right people the right information on time. To do so, they have to think "top down" and wonder what people "up" need.

- People are the biggest challenges. Asset/property managers must be involved and do their jobs right : clean data, rely on European data for asset valuation...

It is very important to control the data accuracy:

- Data legacy and transparency are fundamental.

- Firms must invest in data checking management: by controlling data accuracy, it is easy to know the property managers that are competent or not.

- We need to move away from data ownership: it belongs to the public domain.

Conclusion:
If well analyzed and managed, data can be a source of competitive advantage. It helps the top management make better strategic decisions, other levels of the firm make better operational decisions, thus be more effective and manage assets better.

10- SMART CITIES ARE JUST SMART PEOPLE-BUILDING THE CITIES OF TOMORROW FROM THE BOTTOM UP

Chair : Ed Parsons, Geospatial Technologist, Google

When people look at the place of technology in the future, they see avatars, no more shops… But is there still care then in this future? Does technology have it all wrong?

We cannot define smart cities without mentioning people.

- Smart cities have existed for about a decade. In the future, most people will live in cities, congregated together. As cities are a congregation of people, smart cities are smart people and thus must be efficient in bringing people together.

- It is important to look at the individuals who live there and ask "what would make them live better?"
  This is how innovation happens: with relatively small steps and influenced by individuals' decisions.

Smart cities have many positive impacts:

- Smart use of technology allows a better urban life: reduction in traffic delay from updated signal timing, in tons of greenhouse gases each year due to better signal timing, or in dollars of productivity lost to congestion each year.

Trends that pre-existed have been accelerated by the Covid-19 crisis.

- People were afraid to catch COVID so retail and payment without contact became routine. Even retail in shops is now looking more and more like online retail.

- Working from home has been widespread too. Going to the office makes people want to have real interactions and meets that are not possible at home.

The way people interact with information has changed and will change in the next few years - the example of maps

- People have a constant knowledge of what happens around them in real time. This information will influence our relation to our environment and all our decisions. Maps have always existed but are now constantly changing, like the information around us.

- Apps provide personalized information and service to the individual in exchange of some shared information. Home address and real time location and traffic allow Google maps to give the fastest way home. This personalization explains its success: it has been downloaded by over 10 millions users.

- The value of a network grows by the square of the size of the network: as many users as possible must share their data (location, habits, traffic), the information will be more accurate and personalized.

There are limits and challenges about all that information people interact with:

- The Internet of things is made with no overall design or standardization effort by its different providers, who now try to correct that and better fit to each other.

- A huge challenge is to make human-machine interaction more automatic, and not forced like with *Alexa* or *Siri* technology, thanks to sensing capability reaching it directly with no need to call: for example, a thermostat using artificial intelligence to heat up to the appropriate level only when people are there would change the way we interact with the building.

Conclusion:

« The most profound technologies are those that disappear. » said Mark Weiser, theorizing ubiquitous computing in 1991. In a notification culture, there is still a long way to go for technology to be fully part of people's environment.

11- VALUATIONS & PRICING – TIME TO SELL OR DOUBLE DOWN?

Co-Chairs: Luke Dawson Colliers, Pierre Leocadio Oxford Properties Group, Sandrine Amsili Ardian, Tim Barlow CPP Investments

Despite the crisis, interest rates remain historically low and prices are reaching historical records. However, it is complicated to predict whether rates will rise or fall; just a few years ago, no one imagined that rates would fall below 4%, yet premium yields in the CBD have fallen below 3%.

Assessing asset values is complicated for the following reasons:

- The influx of capital into the markets is causing strong competition for assets and driving up prices. This competition can lead to the loss of certain benchmarks and to the **overvaluation of assets** relative to their risk level.

- In some sectors (notably logistics), acquisition prices are based on **growth potential**, which is more complicated to evaluate and presents more risk.

- In a context where prices are very high, it is appropriate to **focus on the risk related value** rather than the value itself; pricing the risk correctly is what is important these days.

Where is the value today?

- **Logistics** still has growth potential in some parts of Europe (especially in the Nordic countries and Southern Europe - not in Germany). The market has not yet reached the same price levels as in North America, so there is growth potential.

- **Residential** is also a growing market where it was previously underdeveloped (especially in the UK - not Germany).

What makes a good acquisition?

- Quick access to quality **data** is crucial to make the right decisions and to be competitive in this very competitive market.

- **Access to product** is key. This requires working with local partners (who know the local markets). One way to act on them better is to get a stake in their capital (i.e., make an acquisition) but one potentially needs to also confront local corporate cultures which, sometimes, may reveal incompatible.

- **Shift from yield to strategy**: it is not only a question of considering the financial aspect of the operation but also of being part of a long-term strategy, in particular with the asset operators.

The rise in interest rates in the medium term could complicate access to financing for investors, but this is not a major concern for the moment.

12- SENIOR HOUSING, EXTRA CARE & RETIREMENT ASSETS

Co-Chairs : Frédéric Dib MoZaïC Asset Management, Anni Hönicke Gulf Islamic Investments, Berthold Becker TSC Real Estate Germany, Jan Petersen Apleona, Michele Beolchini Investire SGR, Pooja Patel StepStone Group, Samuel Vetrak Bonard, Sander van Riel CBRE Global Investors, Steve NitschkeMedical Properties Trust

The assets talked about belonging to the non-nursing and non-regulated part of the senior living industry, mainly in France, Germany and the UK. The assets are destined to over 75 independent, mobile persons who do not need healthcare.

What does the industry represent?

- Senior living assets have become a noticeable asset class, but the industry is still short on documentation.
- Population: 5.8-6.2 million people in each of the 3 countries.
- Stock: in the UK 17k private beds, 29k in the pipeline (x3 in 3 years); in France 10k and 15k (x2,5); in Germany 23k and 17k (x1,7).
- Typical unit: single bedroom apartment, 41sqm average.
- Typical asset: 46 units in Germany, 79 units in France, 60 units in the UK.
- Average rents: 2500£/month in the UK, 1300€/month in Germany, 1500€/month in France
- Classic operating model: no management contract, the average stay of 8 years leads to mostly 20 years master leases. Almost risk free asset class.
- Transactions: represent 1.5-2 billion euros per year per country.
- Net yields: in the more mature markets, between 3.5 and 4.5. Still place for yield gains in less mature markets.
- Average age of entry: 78 years old in the UK, 83 in France and Germany.

What makes this asset class attractive?

- The market is characterized today by three main drivers, the **yield gap**, the **high occupancy**, as well as its **good purpose.** The difference between the market today and the one of yesterday is the huge increase in private stocks compared to regulated assets in the past.

- **Model:** France and Germany are following **renting models**, where tenants rent their accommodation and then benefit from services either integrated or offered by a service provider (most common in Germany). The assets are mostly in city centres or well-connected and contain 70-130 apartments. In the UK, the dominant model is a **sell model**. The assets are mostly in a rural environment and take the form of a one-story type building.

Isn't it a niche market?

- There is **no market in Italy**, as traditionally people own their own accommodations (80% of ownership) and the elderly are taken care of by their families.

- In Germany, France and the UK, an investor argued that this market has more potential than the regulated nursing assets one, as living with care is different than living with a community and services. The average age of entry is way younger, people tend to stay longer, and the number of elderlies is fast growing.

What are the criteria an investor looks at when studying this kind of asset?

- **Location**: "30 minutes rule" from a city centre, close to cities (higher yield).
- **Portfolio**: even if the assets are smaller, the exposure to a lot of different markets is very interesting.
- **Location vs affordability:** an investor argued that one would rather be 20 minutes away from the city centre if it is more affordable.

What are the future challenges?

- **Affordability**: we are failing to find an equilibrium between what investors need and what tenants are willing to pay.

- **Creation of a market:** a banker argued that there is today a space for a market but that it needs to be created. It is at the same stage as student housing was 15 years ago. There is the need to find operators, service providers, lenders…

13- CYCLE D'INVESTISSEMENT EN FRANCE - DÉPEND-IL PLUS QUE JAMAIS DES FLUX MONDIAUX ?

Co-Chairs: Laurent Diot Harvestate AM, Benjamin Bill CMS, Francis Lefebvre Avocats, Didier Unglik L'Etoile Properties – France, Diego Roux Union Investment Real Estate, Matthieu Reffay Hines, Mounir Hamrouni DekaBank, Philippe Duvergne pbb Deutsche Pfandbriefbank, Sophie Colin-Sansier Generali Real Estate

L'investissement immobilier en France fonctionne-t-il toujours en cycle ? Quels flux y jouent un rôle et vers quels actifs s'orientent-ils ?

Un état des lieux du marché de l'investissement immobilier en France

- Depuis la fin des années 1990, les prix n'ont fait qu'augmenter, à part lors de la crise de 2008. Cela va à l'encontre de la notion de "cycle" immobilier.
- Sur le marché, la demande est très forte mais l'offre faible ou mal répartie : 25 à 30 % d'immobilier commercial en trop en Ile-de-France, peu de résidentiel de taille ou de rendements suffisants pour les investisseurs…
- Même si le *private equity* monte en puissance au capital, le *full equity* reste rare et les investisseurs n'ont pas la pleine liberté dans l'action : ils dépendent des banques et des comités de direction.

Les investisseurs immobiliers français privilégient certaines stratégies

- Il y a un effet moutonnier dans l'investissement : tout le monde va au même endroit, les comités étant souvent réticents à l'originalité.
- Les investisseurs se tournent surtout vers des actifs comme le bureau, la logistique et l'école, au détriment du *retail* et de l'hôtellerie à cause du covid.
- Ils adaptent aussi leur stratégie au marché : en privilégiant les rares actifs *core* (neufs, labellisés, à Paris), sinon en achetant des actifs vides à restructurer… Ils jouent moins sur le levier et positionnent l'actif sur un temps plus long.

Le marché de l'investissement français dépend de nombreux acteurs et facteurs

- La santé du pays est à prendre en compte : les cycles régulent normalement les taux selon la croissance de l'économie et du PIB.
- Les banques centrales peuvent perturber cela : leurs politiques conciliantes ont ainsi permis de maintenir des taux bas. Mais depuis 6 mois, les taux remontent.
- Face à l'inflation, l'immobilier reste intéressant, contrairement aux obligations à taux fixe. Mais, les compagnies d'assurance ayant des ratios d'actifs à respecter, l'immobilier pourrait tout de même baisser.

On peut déjà anticiper certaines évolutions du marché français

- Le covid a eu pour effet de limiter les risques pris par les investisseurs : ils cherchent le *flight to quality*, dans le centre de Paris.

- La reprise se voit sur les loyers : les bureaux étant à nouveau occupés, les loyers ont atteint des hauts niveaux (900-950€/m2 dans le QCA). Ils pourraient même encore augmenter avec les banques rapatriées en France suite au Brexit.

- Enfin, l'ESG pose de nouveaux critères à tous les niveaux de vie de l'immeuble, concentrés dans le décret tertiaire. Il y a également un retard technologique à rattraper, pour mieux connaître, et donc manager, les immeubles.

Conclusion :
Les cycles d'investissement dépendent de divers facteurs et acteurs. Aux investisseurs de suivre les tendances de fond du secteur, pour avoir des actifs pérennes et courus.

14- OPPORTUNISTIC & VALUE ADD – ENOUGH ROPE TO CLIMB OR TIME FOR DISCRETION?

Co-Chairs: Mohamad Abouchalbak SFO Capital Partners, Anthony Leonard Credit Suisse, Eric Sasson Redtree Capital, Gavin Neilan Deutsche Finance International, Ioannis Orfanos Arbitrage RE, Paul Raingold Générale Continentale Investissements, Pierre Julin DEA Capital Real Estate France, Tom Rowley Angelo Gordon

Opportunistic and value add deals are about taking **more risk for higher returns**. Generally speaking, these deals are hard to find but the crisis has created some opportunities.

There are different ways to make opportunistic or value add investments in the current environment:

- One way to create value is to buy an empty asset (or one with very short leases) and do a **major refurbishment or redevelopment** of the asset. These transactions are profitable because they have a high level of risk (one must assume permit risk, construction risk, eviction risk, zoning risk, etc.). However, in the context of **rising costs of raw materials** necessary for construction, returns are slightly eroded (this has little impact on the largest and oldest investors who have privileged relationships with suppliers and construction companies, but more so on the smallest structures); one solution to protect oneself from the variation in construction costs is fixed price contracts.

- Opportunistic or value-added investments can also be made through the choice of **new, riskier asset classes** whose business models are not yet clearly defined and mature. These asset classes can refer to student living, coliving, coworking, single living, life style hubs, exhibition centers, etc. However, it is advisable to remain cautious with these assets because, on the one hand, there is still uncertainty about their long-term financial profitability and, on the other hand, these assets are expensive for what they are: investors pay for growth.

- Finally, some **locations** are more inclined to lend to opportunistic or value-added investments than others. For example, it was very difficult to make interesting deals in Germany before the crisis and it is still difficult, but opportunities have appeared, particularly in the retail sector. **Eastern European countries** (notably Poland) and **Southern European** countries (notably Greece) are particularly popular with international investors looking for opportunistic or value-added deals.

It can be complicated to find financing to fund these deal as access to capital depends on the credibility of the players (i.e., it is accessible to those who have experience and mastery of the fields concerned).

15- ALTERNATIVE LENDING - BEST TO PRICE UP NEW NORMAL OR OPPORTUNITIES TOO NICHE?

Co-Chairs: Robert Weinberg Eastdil Secured, Alexi Antolovich Macquarie Group, Ashil Sodha Tristan Capital Partners, Clark Coffee Lacarne Capital, Dave White LaSalle Investment Management, Derek Rich Oaktree Capital, George Molesworth Apollo Global Management, Lorcain Egan Starwood Capital Group, Philippe Deloffre ICG Longbow France

Alternative lending grew rapidly in the decade following the financial crisis of 2008. Many mortgage borrowers are not qualified with the traditional guidelines available through the banks.

Definition of alternative lending

- There are 3 types of mortgage lending:
  - the first one is commonly known as prime lending (major banks, credit unions and monoline lenders which requires the highest quality of credit and income),
  - the second one is non-prime lending (deal with clients who do not fit into traditional and prime lending guidelines) and finally,
  - the third is equity/private lending (lenders rely more on the property equity than borrower's income documentation and credit in underwriting).

Alternative landscape

- Alternative financing has grown strongly, in the real estate sector, in recent years. Ten years ago, the size of the alternative lending market represented only 1% of the European market. Today, it represents 10%.

- Borrowers are also landlords who need to pay construction costs. The problem when they apply for a loan from the bank is verifying the value of the future property. The equity may not be enough to pay for the land and construction costs. The traditional banks will therefore refuse, and the owner will have to then utilize alternative lending.

- Alternative lending is becoming increasingly important in the world. In the US, it represents more than 40 billion dollars.

Conditions

- Mezzanine debt is a hybrid form of capital that is part loan and part investment. Senior debt is a loan from a bank.

- Loans up to 75% LTV/LTC for core to value-add transitional assets with existing cash flow for a senior debt (with a usually term between 3 to 10 years). Loans up to 80% LTV/LTC for a mezzanine debt (with a usually term between 1 to 5 years).

- Alternative lending solutions can be used to finance all types of real estate assets such as residential, office, logistics, student residences, hotels, serviced residences, etc.

Post-closing

- The most difficult part is the post-closing syndication, although this is the most important with the recapitalization of the debt with new investors.

Conclusion:

For a long time, alternative lending had a negative image with the public and various investors. Today it is more and more widespread and the proportion of its use is important in Europe today. Many niche real estate funds are now specialized in this field.

16- BUYING LIGHT INDUSTRIAL - TOO SPECIALIZED OR DIVERSIFICATION OPPORTUNITIES GALORE?

Co-Chairs: Jonathan Lurie Realty Corporation, Andreas Trumpp Savills Investment Management, Geoffrey Pizzanelli Scannell Properties, Michael Neuman Ivanhoé Cambridge

The light industrial sector has been one of the most positively disrupted sectors during COVID. The forecasted rental growth varies from 5% to 8%, yet the assets are difficult to acquire today. Therefore the assets are often overpriced. It is today a 90% margin sector.

Where are the bigger opportunities in light industrial?

- **Restructuration**: most actors have wanted to restructure their supply chain on the safe side since COVID-19.
- **E-commerce**: exploded since the lockdowns, 20/25% of commerce today.
- **Big boxes**: one investor added that he still believes in traditional logistics. The yields are becoming tighter, but he still believes in rental growth thanks to **scarcity of lands.**

Where are the trends in investments?

- A banker argued that with retail becoming an unpopular asset class, investors need to place their money and light industrials have been the new target. He nonetheless added that it is very difficult today to buy last-mile assets/logistics, so **most people overpay those assets.**
- **Models**: it is difficult to make model assumptions today as very few transactions have been completed from investing to launching. Still, we know what tenants are looking for: best-in-class logistics, more interested in the number of truck doors than in high ceilings, high-technology and monitoring, ESG compliance.

What to do with the assets if light-industrials are no more relevant?

- **Obsolescence** has always been the **biggest threat** in the industrial sector, but investors agreed that last-mile will always be relevant for some industries such as medical supplies and cold storage. The risk with those is the depart of the tenant as the asset is very specific.

What are the best features in an operating partner?

- **Ability to source markets:** the partner has to know the granular aspects of the location, the particularities, and the trends.
- **Good aggregation strategy:** ability to buy cheap and diverse to create great portfolios. Still possible today, the market of small entities is still left out.

What is the exit?

- The effort to build a great portfolio is consequent, and not everyone wants to tackle this challenge, **especially risk-adverse institutionals**. Investors believe they will be able to sell them portfolios in the future, as they are in a constant need of diversification and allocation of funds.

Big boxes or last-mile?

- One investor argued that the yield arbitrage today is much better for last-mile than big boxes.
- For others, what matters nowadays is not the yield but the ratio of the selling price on the acquisition price, as the margin error is still much wider in last-mile than in big boxes.

17- CAPITAL EVOLUTION - LEVERING TECHNOLOGY FOR REAL ESTATE INVESTMENT AND FINANCIAL TRANSACTIONS

Co-Chairs: Naqash Tahir PGIM Real Estate, Anas Halabi Vennre, Darko Matovski causaLens, Jonathan Avery Legal & General Group, Titus Albrecht Moody's Analytics CRE

In the last 2 years, more data has been collected than in the whole history of real estate. By looking at the whole lifestyle of the asset, we see that we are going on the journey of technology and automation.

Technology is more and more developed in real estate investment and financial transactions

- Automotive valuation tools are progressively used in capital raising because they give more time to the investors to understand the real value of the asset and to think about the scenarios. These products must still match the processes and make the Proof of Concept.

- In a more and more data driven sector, it is very important to normalize the data sources to enable people to compare data. In the public sector for example, it is very hard to do so because of the different levels of complexity to add together (state, city). Less than 5% of US firms have a Basic Management System. This figure should rise in the next years.

This journey is long and complicated for some companies and some products

- Those changes are complicated to make in small companies: family office spaces make no scale economy by adopting the technology.

- Automation seems harder to use on logistics or residential, because data is missing there. How to bring process automation to commoditized products?

Capital must be invested in technologies, even if they may not be as disruptive as they look

- To consider technology, it is important to start from the Investment Committee and to understand the global economy and the long term trends. Managers must give an appropriate budget for technology and data normalization.

- The current trends are digital intelligence (digital leases) and ESG. But the same discussions on technology have been occurring for years, which makes this subject not fully disruptive. Though, with the young generation coming to firms, we can guess it will keep growing and being important.

- A true form of disruption in real estate is AirBnb: the process has been improved to the extent the market structure has been changed and many intermediaries were removed. America changes to make real estate an illiquid asset in terms of distribution and access.

The technological side cannot do without the human side

- People may fear technology, automation for example, seeing it as an enemy, changing business models and threatening their jobs.

- But data may finally only optimize processes and thus help humans: if data scientists and decision makers use it well, they make more authentic decisions.

Conclusion:
We are on a started journey where we have the opportunity to build a human-machine partnership. It gives us the chance to make better decisions rather than just with humans, or just with machines. The challenge is to use less technology over the people and empower more people with technology.

18- FINDING VALUE IN ACCELERATED TRENDS - DEMOGRAPHICS, DISTRESSED, E-COMMERCE OR ESG?

Co-Chairs: Rebekah Tobias MARCOL, Jean-Philippe Besse Colony Capital, Luke Dawson Colliers, Rachel Hodgdon IWBI, Sébastien Pezet Generali Real Estate

There is a consensus on current trends:

- In the logistics sector, prices (boosted by the growth of e-commerce during the health crisis) are too high on average.
- The supply of office space will exceed the demand in the next few years (logic of rationalization of office space).
- ESG will be increasingly important; all players in the sector are committed (shareholders, investors, operators, etc.).

Focus on ESG:

- ESG is a very broad notion of diverse elements that are not necessarily completely understood. This vagueness is reflected in the commitments of the players, who each have their own definition of the concept and therefore their own initiatives. If the letter E (for environmental) is worked on a lot, it is less the case for S and G.

- This vagueness about the notion of ESG also raises the question of the limits of the sector's responsibilities, particularly with regard to building occupants. Can landlords impose ESG practices on their tenants?

Focus on new assets:

- Life-science assets have been boosted by the health crisis. However, needs remain limited and concentrated in a few locations and it is complicated to find good operators.

- Datacenters have also been on the rise for several years. However, the question arises as to their compliance to ESG objectives (these assets consume a lot of energy and create very few jobs); investors are wondering whether it is necessary to create a rebalancing logic external to the asset (investing in local communities, for example).

Focus on retail:

- The retail sector has been severely impacted by the crisis; for the most obsolete assets, reconversions may be considered depending on the location.

- However, few reconversions have been observed. Transformations into "life-hubs" that mix retail, entertainment and even residential are becoming more common.

Focus on mixed-use assets: mixed-use assets are interesting for investors because they allow them to develop a diversification strategy. However, it remains complicated to implement because of the very different regulations between the different uses.

19- IBERIA & ITALY VALUE-ADD - POST COVID UPSWING OR OPTIMISM MISPLACED?

Co-Chairs: Federico Bianchi Starwood Capital Group, Alberto López Balbas by Urbania, Cristina García-Peri Grupo Azora, Emmanuel Verhoosel Fluxus Ventures LLP, Mario Lapiedra Vivanco Neinor Homes, Michele Beolchini Investire SGR, Miguel França Santana Fidelidade, Paolo Beccaria Beccaria & Partners

Spain has been the subject of much construction pushed by politicians in order to attract foreign investors. In contrast, Italy is a local market, with the exception of Milan.

Residential

- In Spain, one of the consequences of COVID-19 has been an increased demand for new-build housing with immediate availability. In addition, the population is growing and there is a concentration effect in certain locations, for example in Madrid and Barcelona, where there is an oversupply in coastal due to a fall of foreign investors.

- In Italy, despite an overall reduction in investment volumes compared with the previous year, the multifamily and student accommodation markets showed a higher level of holding than the other sectors. These markets continue to attract investments, mainly of a value-added nature, with the exception of Milan where it is impossible to build and then rent in residential. Milan attracts foreign investors.

Retail and logistic

- In Spain, there is a strong investor interest in supermarkets, retail parks and prime high-street property, as well as a heightened logistics demand. But in Catalonia and Malaga, available supply remains limited and the lack of land is a barrier to new projects.

- In Italy, owners, aware of tenancy and vacancy risks in retail, have been proactive in accommodating occupiers' requests but for now have only been targeting temporary solutions. Conversely, logistics experienced a record year in terms of investment and take-up. Good performance of the demand and limited availability drive investors towards speculative developments by exploring new markets. Data centres are a growing interest in this asset class on a European level as digitalisation continues to intensify during the pandemic.

Hotel

- Investor confidence in the Spanish market is holding strong, particularly towards the top end of the prime segment. Student accommodation consolidates in 2021 after the write-off in 2020 by the resilience it displayed in the first few months of the 2020/2021 academic year. Strategy also to develop co-living in Spain, where there are currently only 500 beds in the country.

- In Italy, hotel assets remain high for trophy assets and opportunistic transactions. There is an impact from the pandemic, but developments have not stopped. Value-added investment policies will guide hotel transactions in 2021, the volume of which is expected to grow.

Conclusion:
In Italy, the two interesting assets are student residences in secondary cities and residential in Rome.
In Spain, senior serviced residences are an attractive asset.

20- LOOKING FORWARD - 2050 NET ZERO TARGETS & CLIMATE TECHNOLOGY IN REAL ESTATE

Co-Chairs: Audrey Klein Planet Smart City, Charles van Thiel GRESB, Frank Sullivan BrainBox AI, Othmane Zrikem A/O PropTech, Roland Farhat DekaBank

Ambitious targets have been set to limit global warming: to achieve net zero emissions before 2050, net zero targets and stay under 1.5°C of global temperature rise. A real journey is beginning for the real estate sector, one of the most polluting ones.

It is hard to define the best way to get to 2050 net zero targets

- Net zero is different from carbon neutral.
- Indeed, the capital metrics of net zero are based on carbon (carbon footprint, carbon intensities and emissions) but not only: people need to think about how to get to net zero first from a pure energy efficiency principle.
- But there is no consensual definition of good energy efficiency: benchmark values are lacking about that subject on the market, contrary to carbon.

There are trends in real estate that can help on this journey

- Impact investing is an investment very different from real estate management. However, it can be interesting if investors complement their KPIs with ESG, to choose responsible and diverse companies and really make an impact.
- ESG is a real trend, expanding constantly from an investor perspective.
- Data analytics are also more and more optimized in buildings. Risks are the human factor and an over analysis, while data should lead to action.

There are already examples of climate technology in real estate

- There are best practices in energy by looking at the asset from its carbon cycle: energy management systems, connected residences... Sensors are put in place and change the way people experience the building. They help the ESG reporting and the working of the facility managers.
- Demand on digital and water management is more and more important. BIM or digital twin buildings are for example used to collect data, have a clear view, monitor costs and give better customer experience.
- Issues like air quality or access to daylight are not enough considered.

This look forward has some limits and challenges

- Costs are high and expenses must be covered, especially for older buildings. Investors need the proof that they can make money by financing something meaningful.
- Changes already happen in commercial real estate, but 80% of the challenge and impact is about residential real estate, where the actors are different.

- Legislation and regulation have a huge role to play (tax, pushing to co-invest…).

- Data may not be well known or well used by employees and might be invasive.

Conclusion:

20 years ago, there was the big crisis of the Montreal protocol. Since then, we set ambitious targets, and might actually reach a positive end thanks to real estate actors but not without legislation and regulation.

21- GREEN LENDING - READY TO HARVEST OR STILL PLANTING SEEDS?

Co-Chairs: Assem El Alami Berlin Hyp, Anni Hönicke Gulf Islamic Investments, Christian Nickels-Teske Prologis, Natalie Howard Schroders Investment Management, Walter Hampel pbb Deutsche Pfandbriefbank

Real estate lenders are increasingly offering loans based on sustainability performance as demand grows for green-linked financing. Buildings are responsible for approximately 40% of energy consumption and 36% of CO2 emissions in the European Union.

Definitions

- Green bonds: The funds from these bonds are committed to environmental or climate projects, such as investing in renewable energy.

- Green loans: The funds are committed to environmental or climate projects, such as green retrofits for office buildings.

Objective

- The real estate sector will be key in the move to net zero and in real estate finance; this means there will be a need to finance and refinance green buildings and to fund the construction of new buildings or the development and improvement of existing buildings.

- Sources of funding related to the most widely used ESG issues today.

Criteria

- Each financial institution will usually set internal standards or "eligibility criteria" for classifying an eligible Green Project: internal technical screening criteria or external certifications (BREEAM or LEED).

- Controversy in determining the technical criteria by which a building will be judged as environmentally sustainable for the purposes of the EU Taxonomy with 6 environmental objectives.

- For buildings built before 31 December 2020, the building has at least Energy Performance Certificate (EPC) rating A. For buildings built after 31 December 2020, the building requires an energy performance at least 20% lower than the threshold set of the nearly zero-energy building requirements in national measures.

- Green leases may also form part of the eligibility criteria for green loans.

Conclusion:

We have to see how the EU Taxonomy will be applied, which scares the various investors. They not only develop new buildings within their own portfolio for rental property returns but also, most importantly, acquire assets in need of energy retrofit and maintain them for the long-term.

22-L'AVENIR DE L'IMMOBILIER - ESG, PROJETS D'AMÉNAGEMENT OU ÉVOLUTION DÉMOGRAPHIQUE ?

Co-Chairs: Cédric Dujardin BlackRock, Benjamin Cartier-Bresson Berlin HYP, Diego Harari Vinci Immobilier, Guillaume Carlier Bouygues Immobilier, Priscilla Le Priellec La Banque Postale, Stéphanie Genichon Gefic

L'avenir de l'immobilier est assez large à la condition qu'il s'adapte à trois grandes transformations : l'évolution démographique, l'évolution géographique, et l'ESG.

L'appartement de demain comporte des caractéristiques qui découlent de l'évolution de l'immobilier

- La transition digitale dans l'immobilier touche le produit mais aussi beaucoup les process. Un dernier exemple de technologie est la 5G.
- Il s'agit aussi maintenant de prendre en compte les critères ESG, et ainsi de penser en termes d'énergie/climat, de déchets et de milieux naturels. Pour que la qualité environnementale soit reconnue, l'appartement doit être labellisé.

Les métiers de l'immobilier doivent se préparer aux changements à venir

- Le promoteur devra mieux suivre le chantier et notamment le métier du terrassement et ses risques. Tous devront payer pour ces nouvelles exigences.
- L'investisseur craindra plus le "*name and shame*" en cas de non-respect des normes à appliquer ou d'investissements pas assez responsables.
- Le prêteur agira directement selon les exigences du régulateur et poussera l'investisseur à investir dans des immeubles améliorés et aux normes. Ils pourront utiliser la note ESG de leurs clients pour déterminer les conditions du prêt, par exemple.

Certaines contradictions ou incertitudes existent toutefois

- L'immobilier "*green*" consiste à ne pas dédensifier la ville, mais à proscrire la maison individuelle. Il est l'objet d'une certaine schizophrénie de la population dont la conscience collective est en décalage avec la volonté individuelle, et même des écologistes.
- Il y a un dilemme entre rénover ou reconstruire : il faut rénover le parc immobilier lorsqu'il y a obsolescence énergétique ou d'usage, ce qui concerne la majorité du stock, notamment en province. Cela coûte toutefois plus cher.
- La mise aux normes coûte cher. L'investisseur, le promoteur et l'utilisateur doivent y trouver leur compte.

L'avenir de l'immobilier dépend grandement du politique et du juridique

- L'immobilier est prêt à changer mais doit être soutenu par les maires qui ne savent pas bien ce qu'ils veulent et bloquent. La décentralisation doit peut-être être remise en cause - ce que fait la loi climat et résilience.

- La temporalité politique influence beaucoup l'immobilier. On le voit avec les élections présidentielles par exemple.

- La réglementation fixe des ambitions et des horizons à l'immobilier, comme l'a fait la RT2012 puis la RE2020.

Conclusion :
L'immobilier a donc des challenges à relever et, face à des transformations profondes, doit échapper à l'obsolescence, tant dans ses actifs que dans ses métiers.

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