

March 31, 2023

## MIPIM 2023 Report

Dear business partners and investors,

I would like to share with you some of the impressions I gathered at MIPIM 2023 in Cannes from March 14 to 17. This year, the European landmark real estate exhibition attracted more than 23,000 visitors, a good 10% more than in 2022. Nearly 100 participants came from Japan.

The Japanese German Real Estate Investment Roundtable Meeting, a biennial event at the start of MIPIM and Expo Real since 2015, was held for the 14th time. The Japanese Ministry of Land, Infrastructure, Transport and Tourism opened the meeting by emphasizing the importance of international cooperation and communication.

Mr. Andreas Schulten, Chief Representative of bulwiengesa AG, presented the status of the German development market in a dialog with Mr. Hendrik Staiger, Speaker of the Executive Board of Beos AG ([link to presentation](#)). Next, Mr. Kenji Matsushita, Managing Officer of Corporate Strategy Planning at Takenaka Corporation, explained the inflation, though predominantly supply-related cost increases for the Japanese developer and construction industry, which are similar to those in Germany. All discussions confirmed that the trend toward considering ESG goals in development is stronger than ever. The meeting concluded with a discussion on CO2 management through wood-based construction led by Mr. Seita Kisanuki, Executive Director of Sumitomo Forestry.

The "Focus on Japan" conference on the central day of MIPIM 2023 attracted a full house ([link to flyer](#)). On behalf of the Japanese delegation, Ms. Suzuka Hata, Deputy General Manager of Nippon Steel Kowa Real Estate, confirmed Japan's commitment to international communication, symbolized by participating in events such as MIPIM. Regarding Japan as an investment market, the country was able to confirm a decoupling from the European and US markets. Transaction volumes in 2022 remained at the same high level as in 2021, with overseas investors increasing their volume by 12%. According to CBRE, foreign investors accounted for 44% of all investments over JPY 10 billion ([link to presentation](#)).

Mr. Masanori Kobayashi, Director of General Affairs Division at the City Bureau at MLIT, spoke about "Achieving Sustainable Cities with Multi Stakeholders" with the aim of building green infrastructure for climate-friendly cities. The ministry's strong commitment to sustainability was underscored by presentations from two private sector representatives on the ESG focus of contractors and developers.

In most conversations at MIPIM 2023, inflation fears, capital cost concerns, and energy worries were prominent. ESG criteria have moved to the center of investment decisions. While all European markets have seen a downward trend in transaction volumes, residential and logistics assets have been less affected than retail and office. An atmosphere of cautious, forward-looking confidence pervaded MIPIM. The following quote from Dr. Sven Eggers, CEO of AIF Partner KVG, captured the mood: "There is a clear appetite to invest in opportunities that already account for the current interest rate situation and the prospect of a reduction in inflation. International and European investors in particular are looking for niche expertise."

Yours sincerely,

*Leonard Meyer zu Brickwedde*

**Dr. Leonard Meyer zu Brickwedde**

*President and CEO*

Kensho Investment Group