

MIPIM HORIZONS Review

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• TOURISM represents between 15%-20% of GDP in Balkan countries such as Bulgaria, Croatia and Montenegro — comparable with Greece and more than for Turkey. Moreover, growth projections for the next 10 years are strong.

Debating the future of tourism in the Balkans was Alfa Developments' Elitsa Panayotova, International Hotels Group's Peter Vermeer, EBRD's Thibault Dutreix and Hypo Alpe-Adria-Bank's Olga Kiendler. Moderating the session was George Dutchev of Property Xpress.

The Balkans' tourism growth has been assisted by the emergence of new sectors, such as spas, health, cultural and adventure tourism. However, significant issues have hampered the sector's development, notably under-investment in infrastructure and the region's short summer season. Despite these drawbacks, the panel said the Balkans' future as a tourist destination looks promising and has been improved by the prospect of EU membership.

• UKRAINE's real-estate markets were the subject of a discussion between two experts on the subject: Jurgen Fruhschutz, publisher of Commercial Property, and Julian Ries, head of real-estate practice at Beiten Burkhardt. Fruhschutz reported that GDP growth in Ukraine has stood at around 6% a year for the past five years, while retail sales growth in 2008 was 25%. "People forget sometimes that Ukraine is actually the largest European nation," he added. "Demand has been pent up and is now being released." Ries pointed out that the legal basis for foreign investment in Ukraine's real estate is improving all the time. "Five to eight years is now the average lease time," he said. "And leases are set at 25 years, which developers tend to prefer."

Make ready for megacities



Frauke Kraas: attention must be paid to negotiation processes

URBANISATION trends are putting emerging economies in the spotlight. About 50% of the world's population already lives in cities. By 2050, there will be 60 megacities worldwide, containing 600 million people.

Frauke Kraas, director of the geography department at the

University of Cologne, Germany, explored the implications of this trend in her keynote speech, *Megacities And Global Change: Key Challenges, Action Models And Strategic Solutions*.

According to Kraas, mega-urban areas create substantial opportunities. Nevertheless, the challenges are also substantial — not least the economic, social and cultural changes. Sustainability issues are a common focus, particularly in terms of resources. However, Kraas observed that fresh attention must be paid to negotiation processes. The increased level of 'informality' found in megacities means they are more difficult to govern. The key questions that need to be addressed,

Kraas said, include "how to bring which kinds of people into the process" of government.

Kraas noted that our present understanding is that "the government" will take care of things. "But we have to change this perspective, because more stakeholders have emerged in recent years and we have to include them in the process," she said.

Kraas added that we must focus on processes rather than on urban form or structure: "Our understanding is mainly based upon perceptions of cities that emerged in the late 19th and early 20th centuries. Megacities go beyond that, so we need to collaborate across institutional borders."

Investors hear it for Argentina

IN ANSWER to the question, *Why Invest In Argentina?*, a packed MIPIM Horizons auditorium heard that real estate is the second most important economic sector in Argentina. Opportunities abound in transport, waste disposal, water and housing, where there is a gap of some 300,000 dwellings. Argentina also has an emerging international third-age market. The panel, which consisted of Francisco Cabrera, minister of economic development for the



Dr Marcelo Elizondo takes the stand with (left to right), moderator Guy Perry, Francisco Cabrera and Eduardo Gutierrez

City of Buenos Aires, Fundacion ExportAr's Marcelo Elizondo and Grupo Farallon's Eduardo Gutierrez, also told delegates that, while vacancy rates are low

in Argentina's office stock, there remains a shortage of industrial space. It is estimated that around 250,000 sq m of modern space is needed.

Brazil on course to become world's playground

AT THE conference *Brazil: The Next Playground Of The World?*, Thompson and Knight's Ivan Tauil, Itacare Capital's Pedro de Miranda and the Ministry of Tourism of Brazil's Hermano Car-

valho, discussed the prospects for tourism in Latin America's largest country.

The panel, moderated by HVS' Diogo Canteras, told delegates that Brazil's prospects changed

dramatically when Europeans started to buy second homes in the country. Brazil's abundant and under-exploited land meant that, at one time, no less than 450 developments were listed in the

northeast of the country. That figure now stands at a more realistic level. While Brazil's tourism sector has been hit by the world economic crisis, it still represents good value for money.

• TIERRAS EN PATAGONIA was at MIPIM Horizons to promote its high-altitude expertise. "There are many developers here," said the agency's associate director, Gaston Blousson. "And they all develop the coast. We are the only ones who develop mountains." Tierras en Patagonia promotes development opportunities in the five provinces that constitute the region of Patagonia. Blousson noted that Argentina has some of the highest mountains in the world — and many of them are in Patagonia. According to Blousson, the holidays of the 21st century are more likely to involve activities other than lying on a beach: "We are now developing ski resorts in Patagonia. These will be the only places in the southern hemisphere that offer state-of-the-art skiing in state-of-the-art resorts. In this century, it will become normal to ski in July and August — south of the equator."

• IN-VI DO BRASIL's president and founding partner, Guy Perry, had two key objectives in Cannes: to find new opportunities for his company's masterplanning services and to source financing for projects in Brazil. "MIPIM Horizons has been a very useful event," Perry said. "It is small compared to MIPIM, but the advantage of that has been more time to meet people. There are some serious investors here and we have been able to hold some good discussions, which is all you can expect at this stage."



IN-VI Brazil's Guy Perry: "There are some serious investors here"

• GRUPO MARIANA FAMILY OF RESORTS' chairman, Kevin Fleming, was at MIPIM Horizons to promote awareness of Nicaragua. Despite having experienced 18% per annum growth and a booming property market for several years, the country has started from such a low base that it is still the best value-for-money proposition in Central America, Fleming said. In Cannes to network with potential capital-funding partners, Fleming was also showcasing the 1,300-unit Seaside Mariana resort and the charitable organisation, Fundacion Mariana, which is helping to improve Nicaraguan lives through real estate. Fleming was optimistic about achieving his goals: "MIPIM shows tend to attract serious people searching for serious business partners."

Life is more than a beach for investors in Brazilian tourism

BRAZIL's Hermano Carvalho, director of the Ministry of Tourism, was clear about his reasons for attending MIPIM Horizons: "Our first objective is to attract investors." He added: "We are talking to the world about tourism, we are making announcements and have meetings planned. We have a strong economy — the biggest in Latin America — and we have the resources, money and environment. We need to tell people what we want, need and expect." Carvalho highlighted Brazil's tourism options, which range from eco-tourism in the Amazon basin to beach tourism on the country's north-east coast. He also noted that there are options for all sizes of investor. Carvalho explained that Brazil's president 'Lula' (Luiz Inacio Lula da Silva) made tourism a national priority in 2003. Now, Brazil's hosting of the FIFA



Hermano Carvalho (left): "Our first objective is to attract investors"

World Cup in 2014 is also attracting massive investment. The Ministry was partnering ADIT Nordeste, the association for real estate and tourism development in north-east Brazil, in trying to attract tourism investment

through MIPIM Horizons. Carvalho said that, despite the current world crisis, Brazil expects its economic growth to continue, albeit at 3.0%-3.5% per annum rather than the 5.0% projected before the financial downturn.

Meeting and greeting the exhibitors

PART OF the MIPIM Horizons experience was a series of Meet The Exhibitors tours of the exhibi-

tion hall. The first tour of the event saw Reed MIDEM's international sales manager, Rodolfo

Garcia, conduct a group of delegates through a series of Latin American stands. The idea was to network, forge contacts and give exhibitors a chance to talk through their priority projects. The business delegates in Garcia's party included Laercio Lemos De Souza of the Brazilian Ministry of Tourism, CBRE Spain's Tonia Salas Spain, Grupo Pinero's Jaime Charcartegui, Maison Buenos Aires' Felix Keckeis and Jadwiga Wisniowska of Poland's KCI Centrum Zablocie.



The Mexico stand: targeted tours increased exhibitor exposure