

# Heard at MIPIM 2014

Erwan Quintin, Joe Walsh,  
and the Real Estate MBA Class of 2015

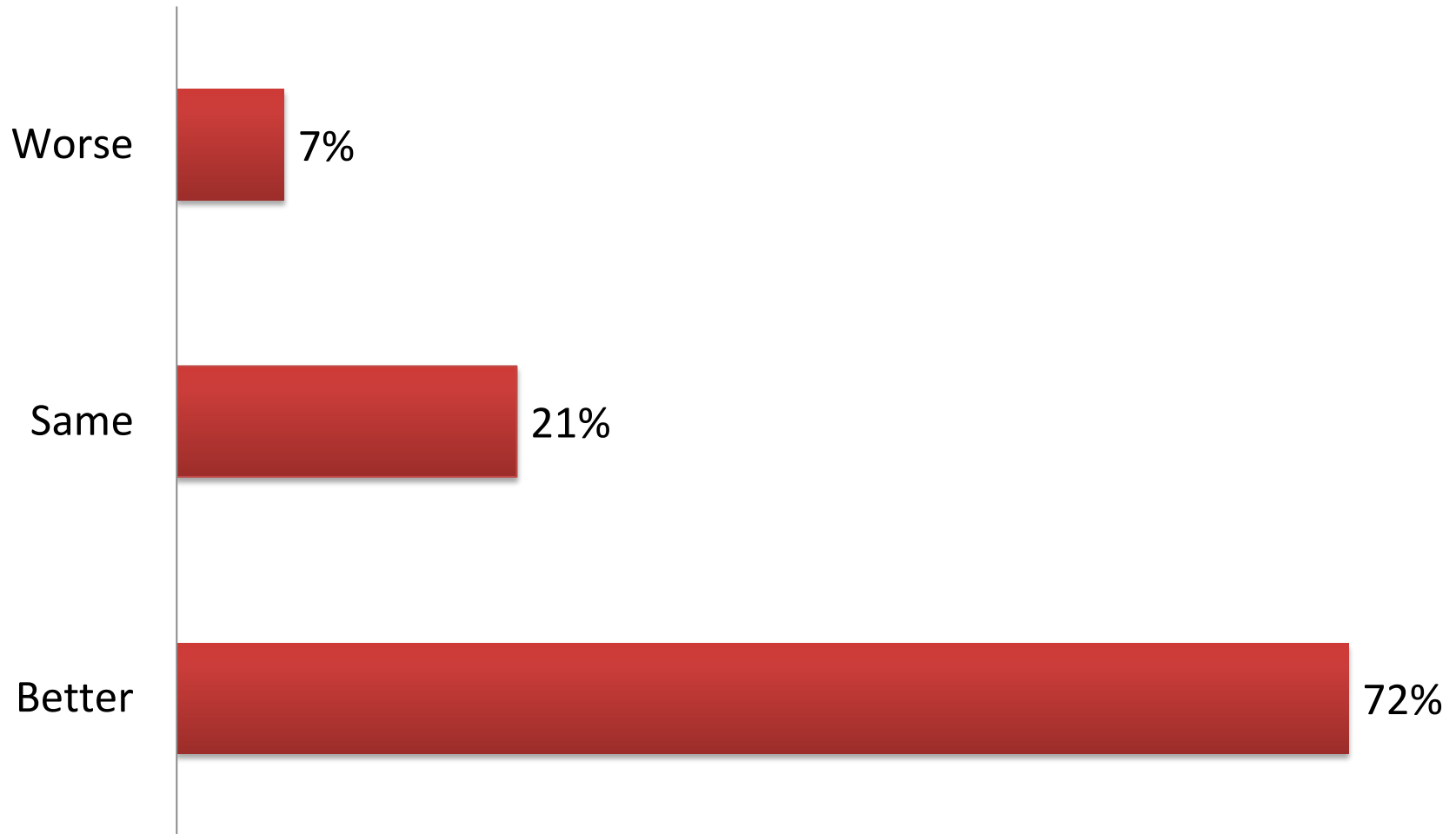
*Wisconsin School of Business*



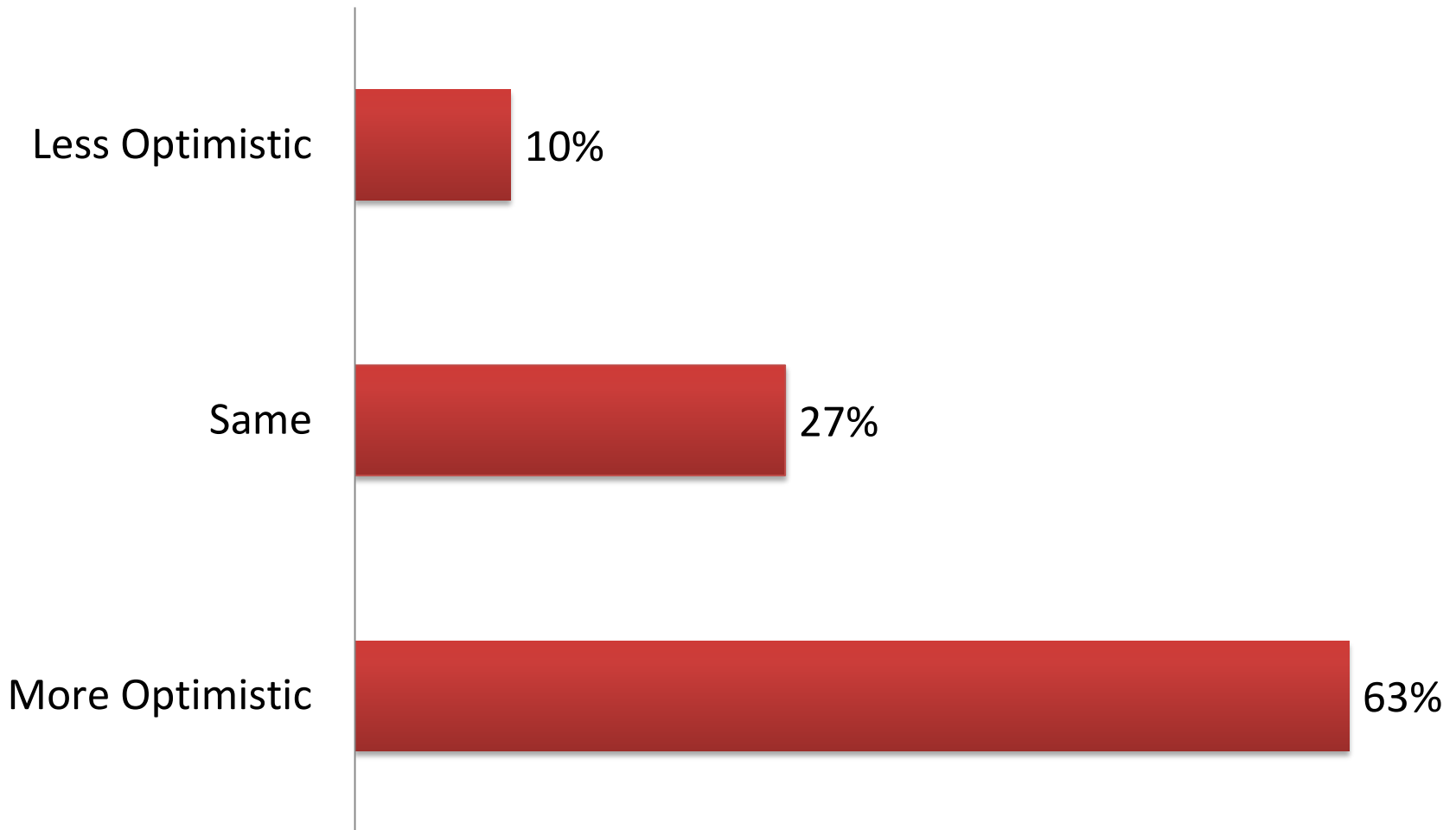
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- A distinctly more optimistic tone

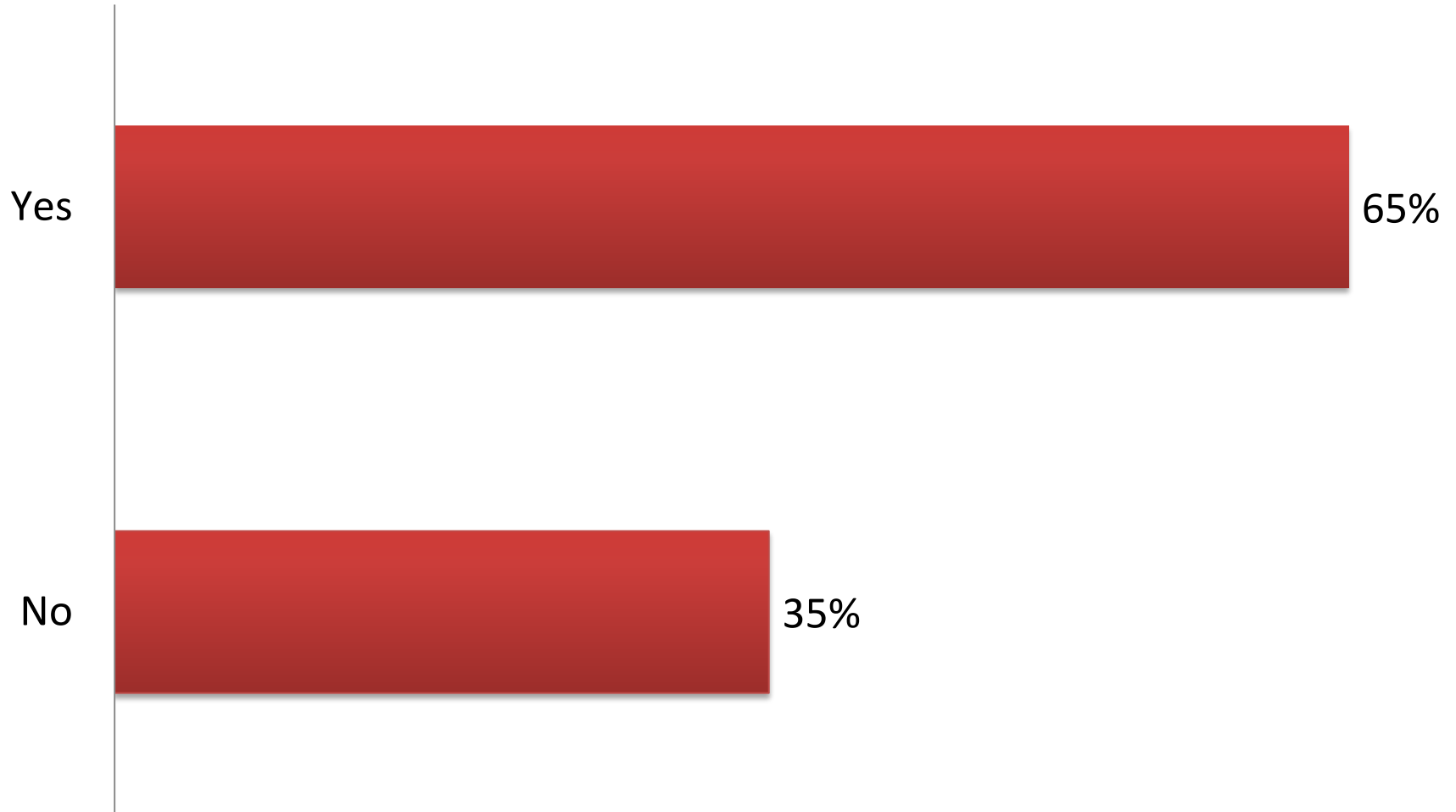
# How is your business activity compared to the same time last year?



# What is your perspective on your real estate market compared to same time last year?



# Are you planning to invest more in real estate this year?



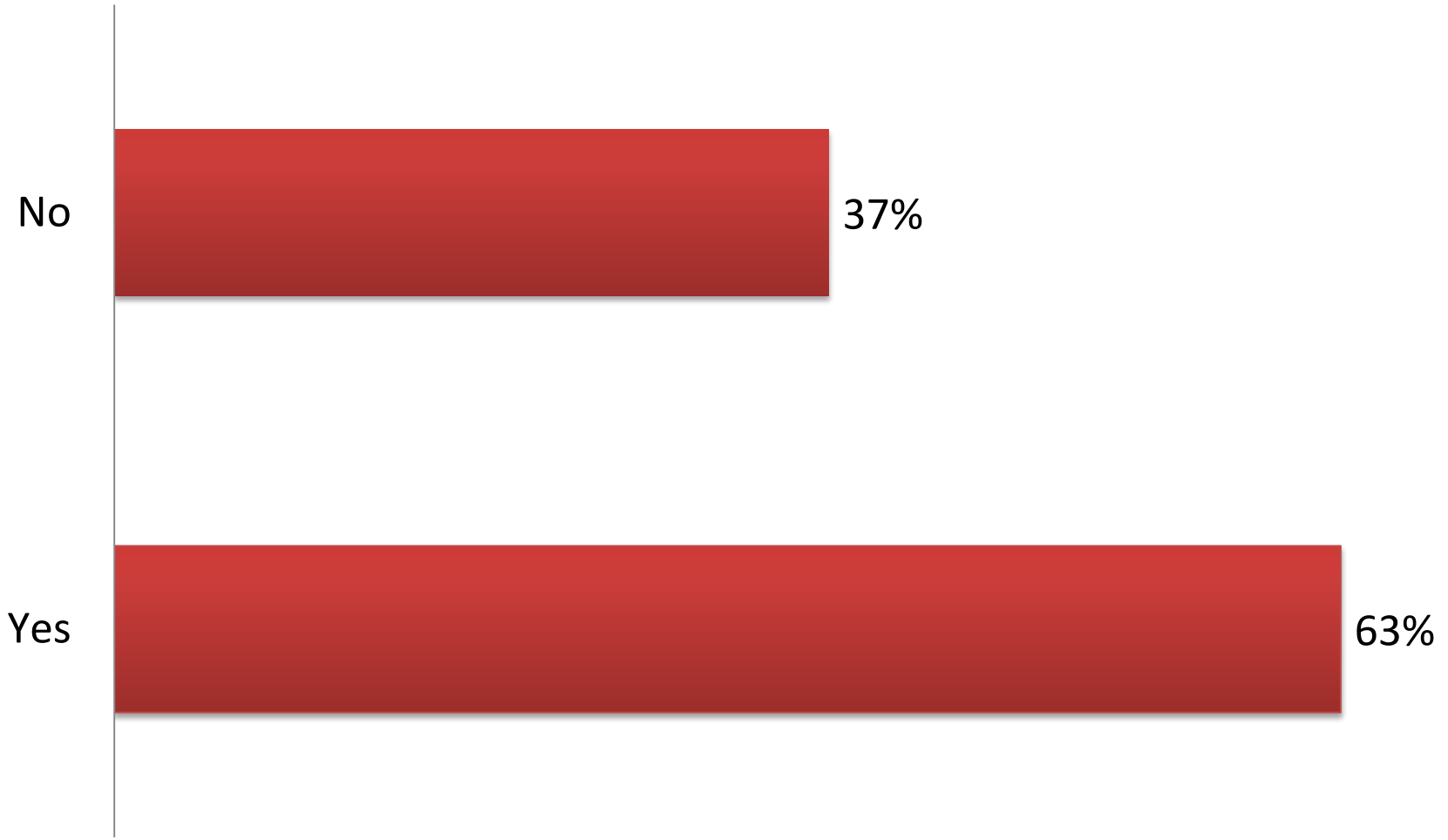
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- Appetite for risk is rising

# Is now the time to invest beyond core/safe real estate assets?





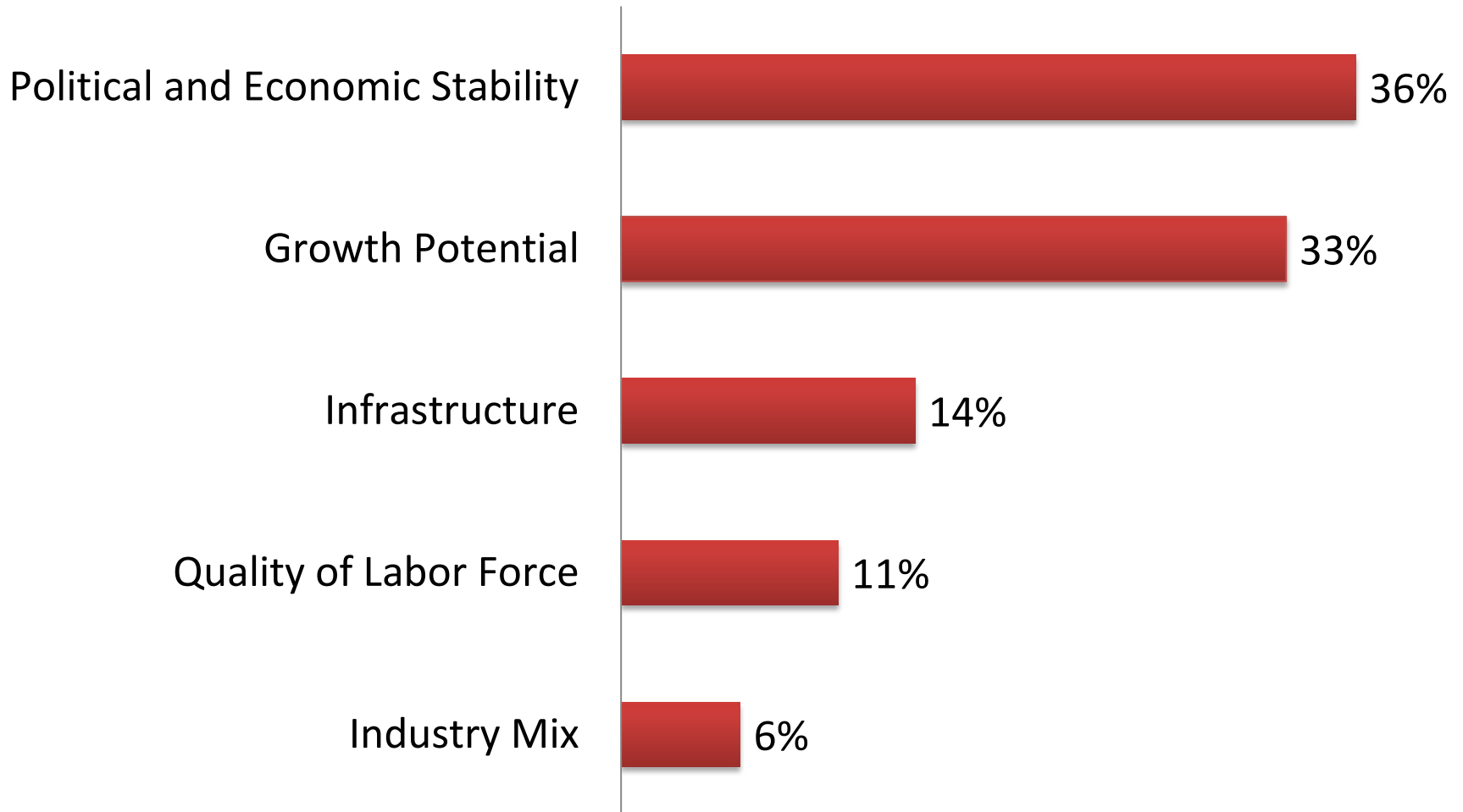
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- Investors are still coping with a low yield environment
- Appetite for risk (*complacency?*) is rising
- Secondary and non-traditional markets are getting increased attention:
  - Non-gateway cities
  - Asset types (health-care, e.g.) with non-traditional operational challenges
  - Tapping the brakes on emerging markets?

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- Opportunities for new markets to rise

# What factors are the most important when choosing where to invest?



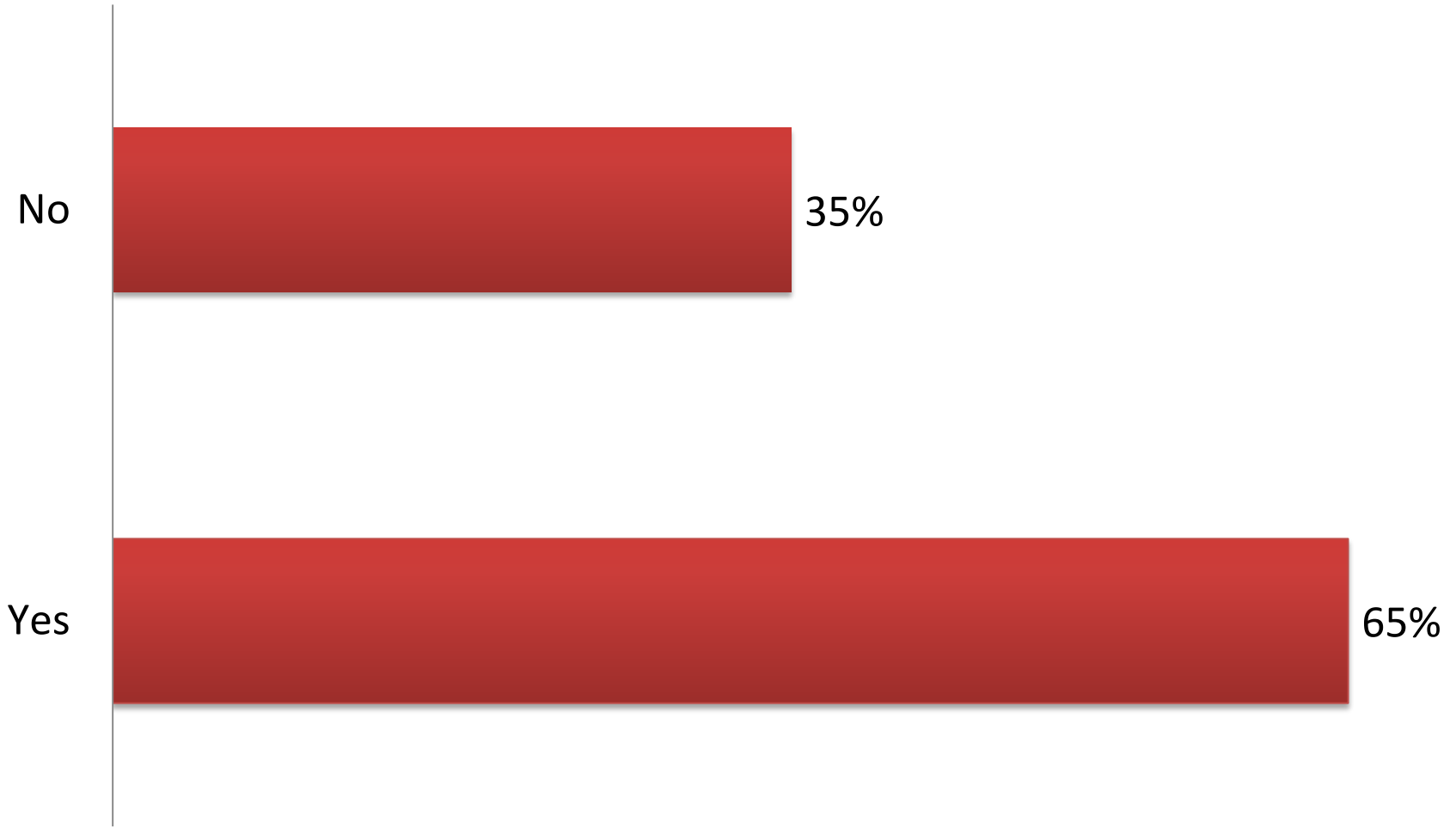
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- Opportunities for new markets to rise
- Local and reputable expertise at a premium

# Are we getting ahead of ourselves?

- Short-term risks:
  1. It all feels a bit like 2005-2006, minus the property-level leverage
  2. Macroeconomic headwinds and political uncertainty
  3. Demand for new markets may be increasing faster than local and operational expertise

# Is concern about the eventual rise in interest rates a significant factor in your real estate decisions?



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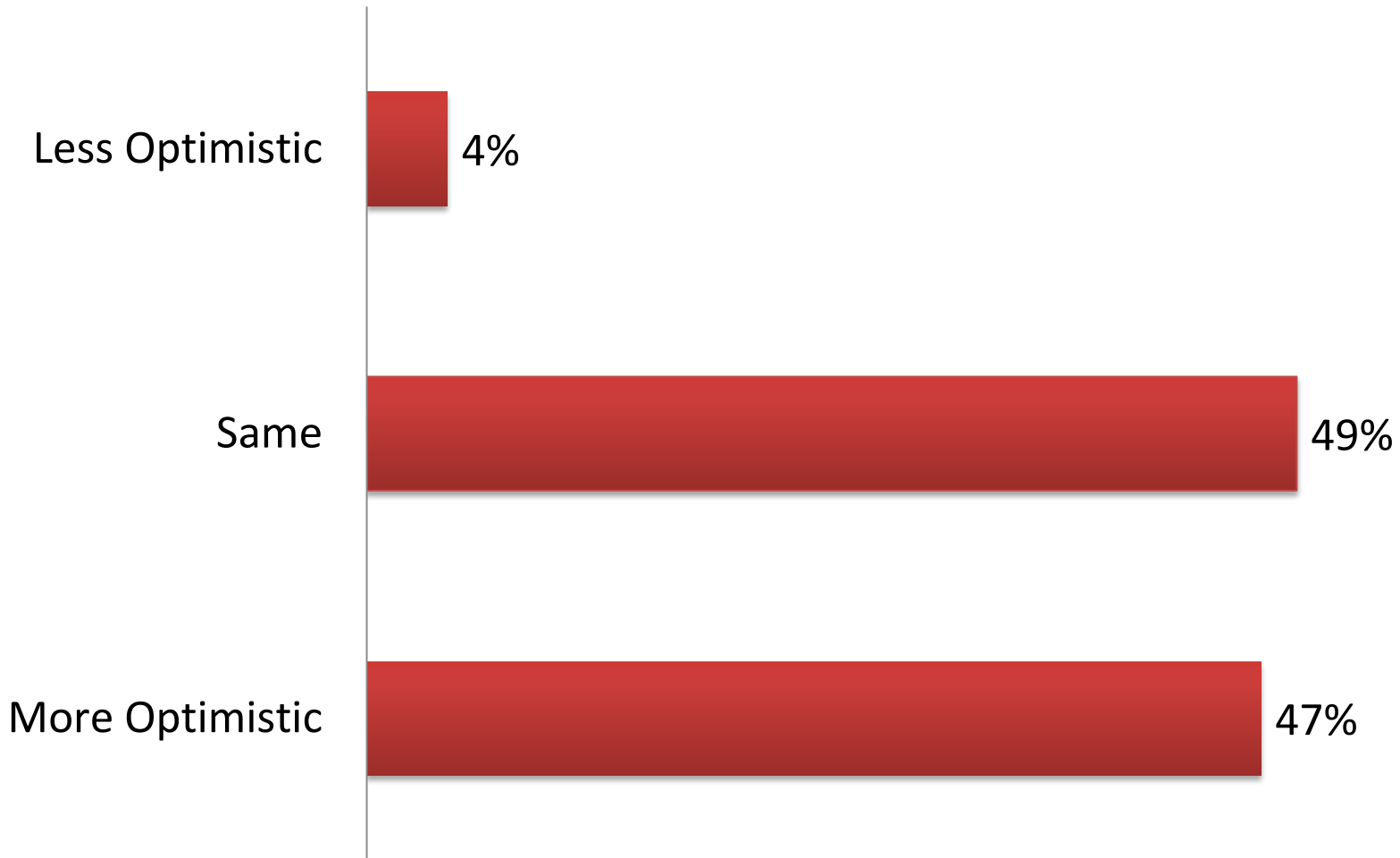
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- Longer-term risks:
  1. The built environment is changing, the industry must adjust over time
  2. Western nations are deeply in debt and weighed down by demographics



## In summary

1. The property market is back in business
2. Investors are looking for yield beyond core and traditional segments
3. Risks exist but are being downplayed

# How has MIPIM changed your outlook?



Thank you!

