

Feedback

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Brexit dominated conversation at Mipim Japan

Editor: Last month, alongside colleagues Harvey Soning and US principal Ronald Cohen, I travelled to Osaka to join Mipim Japan.

Compared with Cannes, this was a small event attended mostly by Japanese property professionals. As a result, the focus of the event was the Asia-Pacific region. However, there was a strong focus on the UK following June's Brexit vote. In fact at every meeting, brief or otherwise, Brexit was the only topic of conversation.

Reed Midem arranged an impromptu presentation on Brexit, which I presented in the International Pavilion. The message I gave was that the UK remains open for business and, contrary to press speculation, Brexit hasn't been the beginning of the end for property investment in the UK.

We portrayed an air of confidence and the regular stream of deals emerging from central London through the week assisted in underpinning the 23 reported deals in the first seven weeks since 24 June. The reported comments of Japanese prime minister Shinzo Abe at the G20 meetings about Japanese businesses leaving the UK were not helpful but we promoted the message that uncertainty around Brexit is a political rather than economic situation and will present opportunities.

Fortunately there were other events where delegates could hear Japanese investors' opinions and the mood was largely positive about about Brexit. One investor even predicted that the decision to leave the EU may look particularly smart in the next two years if the Germans reject the continued support of the euro and southern European states at their election in September next



The message was that Brexit hasn't been the beginning of the end of investment in the UK

year. These sessions also questioned the rationale of Japanese investment firms prepared to construct vast buildings in Tokyo and other Japanese cities without pre-lets for a sub-4% return in a market where tenants take short leases with regular break clauses, when investment in the UK can yield similar levels on longer leases with FRI lease terms.

Other sessions covered the 2020 Tokyo Olympics, including hotel provision, funding and development of the Olympic Village. Much like Mipim London, regional cities are seeking inward investment, although the regional cities of Japan are large conurbations with populations way in excess of the majority of European cities.

Did we do any business? Time will tell, but we sowed the seeds. And as you would expect the whole event was well organised and staffed by some of the politest people on the planet.

Jeremy Grey, director, James Andrew International

Government is taking on the housing crisis

Editor: Despite the recent government policy changes ('Barwell's policy shift: the property industry reacts', 23.09.16, p13), intergenerational inequality still means people in their thirties will be looking at the generation above believing they have been hoodwinked out of numerous benefits their parents enjoyed, including higher levels of home ownership, lower living costs and access to the most generous

pension schemes. The findings of the Institute of Fiscal Studies' recent report highlight numerous inequalities facing families and individuals today and urgent action must be taken.

The housing supply crisis in the UK is particularly severe and is feeding a lack of housing affordability. With the UK population growing and demand for homes on the up, we urgently need to address this issue with

innovative housing solutions, such as rent-to-buy models backed by institutional investment, which unite the public and private sectors and address the housing crisis at no additional cost to the public purse.

We have been watching the government's starter homes policy closely and are delighted that housing minister Gavin Barwell has indicated that this will have a broad definition which includes tenures other

than home ownership.

If we are to start to close the intergenerational wealth gap and address issues of housing supply and affordability we need the government to stay on course and deliver a housing strategy with a range of solutions to suit the needs of as many people as possible. Immediate home ownership is not an affordable or feasible option for everyone.
Richard Connolly, CEO, Rentplus