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**[Real estate office opportunities lie in markets outside major central business districts](#)**

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Moderated by Richard Banks, an advisor to M7 on Middle East business development, Mohammad F. Al Othman, Executive Director of Real Estate at Kamco Invest was joined by M7's Executive Chairman, Richard Croft and CEO, David Ebbrell.

After a brief introduction explaining the relationship between Kamco Invest and M7 Real Estate, and outlining both companies' strategic approach to real estate, Banks moved onto the core theme – commercial real estate in 2021/2.

With a backdrop of an enduring pandemic, ultra-low interest rates and a generational change in demand patterns, investing in commercial real estate has never been more attractive or challenging. Focusing initially on the UK market, Banks broached the macro environment including Brexit, Covid and Sterling, asking Croft and Ebbrell where M7 sees the value in the UK and why?

Croft spoke about the impact of highly accommodating monetary policy on real assets and the divergence between the performance of asset prices and the real economy. He explained why such a backdrop provided a supportive investment environment for real estate.

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Whilst employees still prefer to work from offices and offices are essential to maintaining productivity and instilling a corporate culture, there is a recognition that employees want to move away from mass-transit commutes and work closer to home. This has led M7 and Kamco Invest to focus on regional offices, outside of major central business district or so-called “CBD” hubs, such as London.

Croft also explained how significant the cost savings factor is. Whilst this is a pan-European trend, focusing specifically on the UK, Croft spoke about the UK government’s commitment to their “Levelling Up” agenda, which will drive demand for office space outside of London.

Al Othman added, “We launched our real estate offerings back in 2016 and today we manage 14 commercial properties in the UK, Germany and the US valued at USD1.1bn. The strategy adopted is one that focuses on the preservation of capital and the generation of superior risk-adjusted dividend yields. We have transacted in regional, non-gateway markets across the globe to deliver opportunities that achieve attractive, income-driven returns on a relative risk and reward basis.”

The discussion shifted towards why retail isn’t dead but has evolved significantly, and why the emergence of the “omnichannel” business model in retail has driven demand for different types of real estate solutions. Whilst this has led to an increase in demand for urban logistics, investors have only recently woken up to attractiveness of Retail Warehousing.

Moving onto Europe, M7 spoke of the value in Irish & Dutch offices, which are likely to be the biggest beneficiaries of Brexit. Ebbrell mentioned that 35% of the Dutch workforce already benefit from some form of flexible or remote working arrangements, which will enable that market to fare well post-Covid. Finally, Ebbrell spoke about the attraction of investing in certain Central European markets.

Al Othman added, “UK Real Estate remains an attractive asset class for GCC investors. There is an enduring connection towards the UK and most investors are savvy when it comes to real estate investing and their understanding of the various regional markets. Despite the concerns GCC investors showed in 2016 due to Brexit, investment appetite towards the UK and Sterling remained strong and resilient and continues to progress from strength to strength.”

Al-Othman emphasized the importance of the good feedback received from lenders on various transactions, a reflection of the appealing nature and mitigated risks associated with the qualities of the assets and locations that are targeted. There are always lenders willing to lend against these best-in-class assets in each market and sector, and the role of Kamco Invest is to select the lender that delivers the most optimal value accretion to the transaction and the equity returns.

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Banks concluded the session by focusing on the partnership between Kamco Invest and M7 moving forward, which has already resulted in two successful portfolio acquisitions, with several opportunities and a healthy pipeline under continuing discussions.

Kamco Invest and M7 Real Estate teamed up for a webinar to discuss how Middle East investors should approach international real estate investing and to provide them with deep insights into the opportunities and the risks they face in real estate markets in 2021 and beyond.