

smart futures

WATERFRONT EXPO

ENGAGING WITH NEW MARKETS

As a 30+ years participant in, and observer of the UK property market, I am intrigued by the resonance of the current downturn with that of the early 90's. Those of us who steered our consultancies and development companies through that particular crisis will remember conditions similar to today and also the steps which needed to be taken for survival, steps which are no less relevant now.

Battening the hatches on non-essential costs, guarding and nurturing existing relationships, doing the reduced workload more efficiently, concentrating on core business and reducing numbers of non-fee earners—all necessary steps which are now being taken by all property organisations, large and small.

As managing director of both a property consultancy and a development company in the early 90's, a swift change of focus from commercial to refurbishment, housing and public sector contracts meant survival for my companies, including the ability to hold onto key staff. At the same time, we were encouraged to look to new markets which, given the condition of the UK economy at that time, meant export markets—a process supported by the Government of the day and provided with a forum by the then embryonic and still intimate MIPIM.

I vividly remember my finance director's reaction when I suggested devoting a large slice of our radically reduced marketing budget to attending what he clearly saw as, even in those early days, a foreign jaunt.

For today's managers, the incentive to engage with new international markets is even stronger than it was then, as there is little or no housing work to fall back on and it is difficult to see a public sector spending spree emerging given current economic indicators.

There is still a tendency, as there was in the early 90's, for smaller UK companies to treat participation in export markets as the province of "the big boys" or for those with an already established presence in the particular area. This attitude is in my view misplaced, particularly now when there are so many events giving access to emerging markets, not least our own Waterfront Expo, with its rich mix of international participants.

Among the emerging markets represented at Waterfront this year is the small but dynamically active country of Montenegro. Widely acknowledged as one of the

most beautiful places on the planet, Montenegro is, according to the World Travel and Tourism Council, host to the second fastest growing global tourism market, outpaced only by China. The country, with its unspoilt Adriatic beaches and magnificent mountain regions and lakes is a magnet for all key global hospitality operators and for investment from sovereign wealth funds and oil-rich players. Such attention brings with it both rewards and risks and the Government is wisely focussed on encouraging the highest standards of sustainable and responsible tourism development. (Editor's note - a more detailed article on specific waterfront projects in Montenegro will appear in September's newsletter).

This particular growth market presents the following opportunities for investors, developers and property consultants with the appropriate skills;

- Consultancy input to a range of new regional spatial plans currently being commissioned by the Government;
- Property advice to a Government embarking upon one of the most significant state land disposal/leasing programmes in the Mediterranean region;
- Major Government sponsored opportunities for investors, developers and designers with key sustainable tourism experience;
- Design and development consultancy opportunities supporting those oil-economy investors with little knowledge of sustainability, urban regeneration or mixed-use developments;

With Montenegro being only one of a number of exciting emerging markets represented at Waterfront Expo this year, the general message is that there will be very real opportunities in Liverpool in November for European property consultants, investors and developers with the vision to see the current downturn as a rich incentive to smarter thinking and a new level of entrepreneurialism.

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