

How *global sporting events* can help buyers unearth new property gems

The 2019 Rugby World Cup has been a thrilling advert for Japan – and the country’s luxury property market, writes *Penny Mosgrove*...

As the 2019 Rugby World Cup comes to an exciting finale in Yokohama this weekend, I started to ponder what effect this is having on Japan’s luxury property market.

Many of our HNWI clients are enjoying the competition, either from home, or from The Land of the Rising Sun. Those that have travelled put their global property dealings on hold to soak in the atmosphere. The current spotlight on the country is something that you just can’t buy, and the potential economic benefits are enormous – including those felt across the real estate industry.

Sporting events are about healthy competition, heroics, and national pride. But they are also about big business. We all know host countries invest deeply in these games with the hope of reaping sizeable gains for the local and national economy through increased tourism and marketing. Investment in stadiums and infrastructure, matched by increased visitor numbers and a feel-good factor, contribute to an event’s legacy.



However, being a host doesn't come without its costs. According to Bloomberg Business, Brazil spent \$11 billion on hosting the FIFA World Cup in 2014, and the Sochi Winter Olympics cost Russia a whopping \$50 billion. Despite these eye-watering numbers, host countries usually see it as money well spent, helping increase a nation's visibility, image, and tourism potential. The bidding process to host a tournament is always fiercely competitive (and not without bribery allegations, but that's a whole other story).

What's less talked about is the effect on residential real estate markets, especially the luxury sector, but the positive PR generated has a global reach – particularly to individuals with money to invest. Take the London 2012 Olympics and the changes around Stratford and the eastern part of the city, where a 500-acre area of mostly toxic wasteland is now wholly regenerated. Westfield moved in, Chinese investors are snapping up some of the 11,000 new homes built (and counting), and listed companies are shifting their offices to Stratford, which was unthinkable before the event. And don't forget the Olympic Stadium and The Queen Elizabeth Park, bringing a green dimension and world-class sports facilities to the mix.

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I have seen the effects first-hand. Quintessentially Estates was involved in a record-breaking letting for a US client who rented a property for his family at One Hyde Park for the London Olympics. We also acted on the most expensive penthouse ever sold in Rio de Janeiro – and the client wanted to ensure the deal was done in good time so his friends could enjoy the 2014 FIFA World Cup. Sport was the driving factor in both of these deals.

When we look at the rugby tournament in Japan this year, HNWI visitors have been discovering the country's hidden benefits and smart locales for the first time. Whether it's the wealth pockets of Denenchofu and Omotesando on the outskirts of Tokyo with their exclusive shopping districts and architecture, or the stunning Ashiya, located midway between the cities of Kobe and Osaka, known for incredible views over Osaka Bay. The draw for each location is clear.

We have even seen a slight increase in expat contacts from Hong Kong and Singapore enquiring about Japanese properties since the tournament began a month ago. The most popular being Niseko, Japan's number one ski resort on Mount Yotei next to one of the most beautiful rivers in Japan – the Shiribetsu River. The resort offers 50.8 km of available slopes and 31 ski lifts, meaning they don't need to travel back to Europe to get their ski fix.

The wider economic benefits are well-known but do not underestimate the effect of global sports events for international prime property agents. It could be an opportunity to broaden your horizons and discover some amazing locations in the process!

