

SPH newsletter

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special



Today airports are much more than air traffic hubs. Around some of them so called airport cities are developing offering nearly all functions of a city. page 12

background

A resort in High Tauern is promoting itself not only with nature, but as well with arts. Are arts and culture in general able to make a destination more attractive for tourists? page 16

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book review

Digitalisation is causing bigger challenges than ever in retail. How can retailers react and find a way to remain successful? page 20



DEAR READERS!

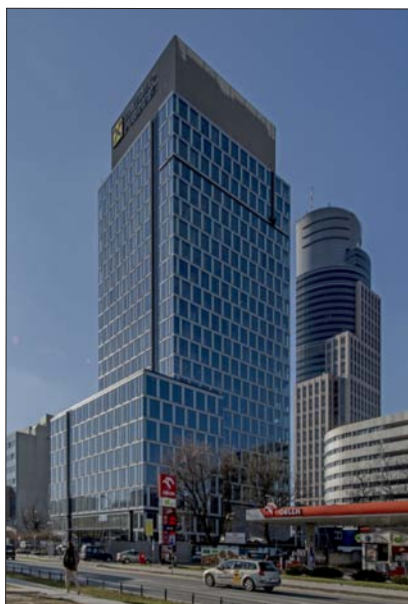


'Panta Rhei' – everything flows – this office building in Düsseldorf Airport City is named. It is part of the German portfolio of Austrian Immofinanz AG. In many respects everything flows also in Austrian listed real estate companies. Some time ago Oliver Schumy succeeded Eduard Zehetner as CEO of Immofinanz, more recently Stefan Schönauer became Member of the Board following Birgit Noggler who stepped down. And most recently followed the news that Immofinanz intends to acquire from OI a 26 per cent stake in CA Immo. There CEO Bruno Ettenauer had surprisingly stepped down at the end of 2015, his successor Frank Nickel was promptly appointed. Since 2006 Bruno Ettenauer has been responsible for CA Immo's fortune, first as Member of the Board, and since 2009 as CEO and Chairman of the Board. Still longer, since 1992 and therefore nearly 25 years Karl Bier was Member of the Managing Board and since 1998 Chairman of the Managing Board at UBM. Together with Heribert Smolé, also Member of the Management Board and responsible for Finance & Controlling, Karl Bier stepped down some days ago. Thomas G. Winkler has been appointed new CEO and COO from June 1, 2016. All three real estate companies started their international business in CEE/SEE, before expanding also to Germany. Meanwhile their activities outside Austria are quite extensive. If the intended merger of Immofinanz and CA Immo will become reality, two already big players would become one even stronger company. Everything flows in Vienna.

On May 30 and 31, this year's Greet Vienna takes place in the Austrian capital city. We will take part and will be pleased to meet some of you, dear readers, in Vienna.

Yours,

Andreas Schiller



Prime Corporate Center in Warsaw has been developed by Golub GetHouse and comprises nearly 20,900 square metres of leasable area.

WARBURG-HIH ACQUIRES PRIME CORPORATE CENTER IN WARSAW

Warburg-HIH Invest Real Estate GmbH has acquired the office property Prime Corporate Center in the city centre of Warsaw. The transaction, which took the form of an asset deal, was carried out as a club deal for four separate accounts of German institutional investors. Seller of the property has been the Warsaw-based developer Golub GetHouse.

The recently completed office property has a total rentable space of almost 20,900 square metres split over 23 floors and five basements. The office space is completely let for ten years to Raiffeisen Bank Polska. 300 square metres on the ground floor are being used for catering purposes. The property also has 197 parking spaces in the underground car park. Prime Corporate Center is located centrally in the inner city of Warsaw in Wola district in the immediate vicinity of the central business district and within walking distance of the central railway station.

The buyer has been advised by Hogan Lovells (legal), TPA Horwath (tax), cmT (technical acquisition due diligence) as well as Cushman & Wakefield and MF Capital (investment advisers), the seller by Clifford Chance (legal) and Savills (investment adviser).

ETC GDANSK OPENED AFTER UPGRADE

Grupa Capital Park and Akron Group have completed the modernisation of ETC, one of the oldest commercial centres in Gdansk. Galeria Zaspas, as the shopping mall is named after the upgrade, houses more than 8,800 square meters of space including 40 shops and service outlets.

The property's history goes back to the 1820s. The building was an airplane hangar and later a bus station. It was adapted as a commercial space in the 1990s.

The shopping mall has been modernised under a venture capital contract signed between Capital Park Group (as the investor) and Akron Group (as the property owner) in April 2015. The project has been co-financed by the investors and with a loan provided by Alior Bank.

C&W TO MANAGE GALERIA PLAZA IN KRAKÓW

Cushman & Wakefield has been appointed as the new property manager of Galeria Plaza in Kraków. Galeria Plaza (formerly Kraków Plaza) is located at Aleja Pokoju 44, the main road connecting Kraków city centre with the Nowa Huta district. The centre's leasable area amounts to almost 31,000 square metres. The scheme provides parking space for around 1,000 cars. Peakside Capital currently manages Galeria Plaza on behalf of one of its institutional investors.



Kronan 10+11
Malmö, Sweden

Type: Office Building
Size: 17,000 m²
Arranger • Lender • Agent



Galeria Słoneczna
Radom, Poland

Type: Shopping Center
Size: 42,500 m²
Arranger • Sole Lender



Cristalia
Paris, France

Type: Office Building
Size: 21,700 m²
Arranger • Sole Lender



Gothaer Headquarters
Cologne, Germany

Type: Office Building
Size: 100,000 m²
Arranger • Sole Lender



Odin Portfolio
Germany

Type: Mixed-Used Properties
Size: 178,000 m²
Arranger • Sole Lender • Hedging Provider



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Shopping Centre Jantar in the Polish city of Slupsk has changed ownership: CBRE Global Investors acquired the property from Tristan Capital Partners.

CBRE GLOBAL INVESTORS ACQUIRES JANTAR SC IN SLUPSK

CBRE Global Investors has acquired the Jantar shopping centre in Slupsk, Poland, for a net purchase price of EUR 92 million. The asset was acquired on behalf of one of its separate account clients from Tristan Capital Partners. The regional centre comprises 44,364 square metres gross leasable area. CBRE Global Investors was advised by Linklaters, Savills and CBRE Building Consultancy. Tristan Capital Partners was advised Cushman & Wakefield and Dentons.

HELABA REFINANCES VALAD POLISH RETAIL FUND

Valad Europe has completed a EUR 133 million refinancing of its Valad Polish Retail Fund (VPRF) with Landesbank Hessen-Thüringen (Helaba). The loan is secured against six Polish shopping centre assets in VPRF: Korona Shopping Centre, Wroclaw; Tulipan Shopping Centre, Lodz; Ster Shopping Centre, Szczecin; Rondo Shopping Centre, Bydgoszcz; Kings Cross Praga Shopping Centre, Warsaw; and Kometa Shopping Centre, Torun.

UNION INVESTMENT RETAIL PROPERTY FUND ACQUIRES SC IN POLAND

Union Investment has acquired Ferio Konin, a shopping centre in the city of Konin in Central Poland, from Rockspring Property Investment Managers' TransEuropean Property Limited Partnership IV. The shopping centre was acquired on behalf of the institutional thematic fund Ull Shopping Nr. 1. The Ferio Konin shopping centre was opened in 2008 and extended by 2,500 square metres in 2013. Its 74 retail units accommodate a selection of major specialist retailers together with a broad range of national and international fashion brands across a floor area of 35,585 square metres.

GOODMAN EXPANDS KRAKÓW AIRPORT LOGISTICS CENTRE

Goodman Group has commenced speculative construction of a 12,000-square metre warehouse at Kraków Airport Logistics Centre. The facility will be handed over at the end of the second quarter of 2016. Kraków Airport Logistics Centre is one of Goodman's largest logistics centres in Poland, with target space of 150,000 square metres. Construction of the first warehouse began in 2010, and a total of five facilities with aggregate space of over 80,000 square metre have been built since.

Kraków Airport Logistics Centre is located in Modliniczka, just 4 kilometres away from Kraków-Balice International Airport, and in close proximity to the A4 expressway, linking Kraków and Wrocław. The centre is owned by the Goodman European Partnership and managed by the Goodman Group.



IDEAS  INNOVATIONS
ECE

THE FUTURE IN SIGHT

From Ideas to Innovations – from planning to action. At ECE, we always try out new ways to make our centers even more exciting, sustainable, and customer-friendly. In order to shape the shopping world of the future, we constantly test new digital and interactive shopping experiences and services at our three Future Labs. No matter if they are smart online or offline solutions, we look for the best of both worlds for our customers. www.ece.com

und aus Klang und Stil.
D-Kopfhörer wurden für Mu-
re-Stereo fisch High-Definiti-
brillen, die ebenso auf aus-
den, die verleiht moderne
mit erstklassigem Design und
en Beats by Dr. Dre-Klang. Da-
auch noch leicht und robust.
tere Base.

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Hören und sitzen, denn diese sind in High-Defi-
nition-Qualität.

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In-Line-Fernbedienung

Wechseln mühelos zwischen Musik und Eingängen den Anrufer hin und her. Direkt über das Kabel kannst du Anrufe entgegennehmen und die Lautstärke regulieren. So musst du die Kopfhörer nicht absetzen oder wie bei einem Walkie-Talkie ins Telefon sprechen.



The first phase of the office project Alchemia in Gdansk was sold in summer 2015, now also the second phase with 25,000 square metres of gross leasable area changed hands.

TORUS FINALIZES THE SALE OF ALCHEMIA II IN GDANSK

Torus has finalized the Sales & Purchase Agreement for Phase II of Alchemia office complex in Gdansk with PHN SPV 33, a subsidiary of the Polski Holding Nieruchomosci (PHN) Group. The value of the transaction was EUR 60.6 million. Cushman & Wakefield represented the seller in the transaction. Savills represented the buyer.

Alchemia is an office complex located at 409 Grunwaldzka Avenue in Gdansk. It will ultimately consist of six buildings delivered in four independent phases of which the second one was the subject of the transaction. Alchemia II was completed in October 2015 and comprises two towers of six and eight storeys with separate reception areas and a four-storey link building. The gross leaseable area of Alchemia II amounts to over 25,000 square metres.

In August 2015 Torus sold Phase I of Alchemia mix-use complex to a joint venture between a fund managed by Bluehouse Capital Advisor and an investment vehicle comprising Polish investors and managed by independent Polish fund and asset manager REINO Partners – REINO Dywidenda Plus SA.

SECOND SOUTH AFRICAN INVESTOR BUYS INTO ECHO PORTFOLIO

Johannesburg-listed property fund Pivotal is to acquire an approximately 6-per cent stake in the Echo Prime Properties portfolio from Redefine for EUR 30 million. The acquisition remains subject to the conclusion of formal legal agreements. As previously announced, the South Africa-based REIT Redefine is to acquire 75 per cent (plus one share) of the issued share capital of Echo Prime Properties, an Echo Investment subsidiary that controls 18 Polish commercial properties estimated at EUR 1.18 billion, and then reduce its stake to approximately 50 per cent through the immediate on-sale of about 25 per cent of EPP's shares to "a consortium of selected co-investors." Pivotal, a fund focused on property developments and investments in South Africa and other selected countries, is the first buyer to snap up a part of the 25-per cent stake. The Echo Prime Properties acquisition by Redefine still requires the approval of the European Commission.

BERLIN HYP PROVIDES FINANCING TO GRAMERCY PROPERTY EUROPE

Berlin Hyp is providing EUR 125 million to Gramercy Property Europe for the acquisition of a mixed commercial portfolio in the Netherlands, Germany and Poland. The portfolio comprises a total of twelve single-tenant buildings of which six are located in the Netherlands, four in Germany and two in Poland. The total rental area of the logistic, storage and office buildings is approximately 280,000 square metres. All properties have long-term leasing agreements with well-known tenants such as Hornbach and Cofely. Gramercy Property Europe is an investment fund that targets single-tenant net leased assets and sale-leaseback transactions across Europe.



CEE & SEE

GLOBAL REAL ESTATE
& ECONOMY TALKS

30 & 31 May 2016

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1010 Vienna



GREET

VIENNA

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Váci Corner Offices in Budapest is the first development of HB Reavis in Hungary. Now Zeus Capital Management has acquired the complex on behalf of a group of investors.

HB REAVIS: FIRST MAJOR OFFICE TRANSACTION IN HUNGARY IN 2016

HB Reavis Group and Zeus Capital Management announced the completion of the sale and purchase of Váci Corner Offices. HB Reavis Group's first development in Hungary, located in the heart of the Váci út office corridor in Budapest, has been purchased by a group of investors represented by Zeus Capital Management. This is the first major office transaction in the Hungarian real estate market in 2016. Completed in 2014, Váci Corner Offices comprises of 21,150 square metres of office space. The transaction was advised by CBRE Hungary and was financed by UniCredit Bank Hungary.

PROLOGIS TO DEVELOP SPECULATIVE PROJECT IN HUNGARY

Prologis, Inc. has started development of a 21,000- square metre facility at Prologis Park Sziget-Budapest. This will be the first speculative logistics building in the Hungarian market since 2008. Building completion is scheduled for Q3 2016.

Prologis Park Budapest-Sziget currently comprises six buildings totalling 128,000 square metres of industrial space with the capacity for 15,000 square metre of additional development. The park is located in the industrial zone of Szigetszentmiklós, in a submarket of Budapest, which provides direct access to the national and international road network via the M0 Budapest ring road.

MAYA GROUP UNVEILS ANATOLIUM MARMARA PROJECT

Maya Group, in partnership with Yilsan Holding, has started construction of the Anatolium Marmara project in the Kartal region of Istanbul. Anatolium Marmara is located on the E5 highway, opposite the Kartal Courthouse, on an estate with a surface area of approximately 30,000 square metres. The project with a gross building area of 250,000 square metres combines residential, office and shopping centre concepts. Anatolium Marmara will also include the 3rd IKEA store in Istanbul. The investment is estimated at USD 180 million. The financing for the project was provided by Halkbank.

NEW CEE PROPERTY INVESTMENT COMPANY: PRIME KAPITAL

Martin Slabbert and Victor Semionov, the founders and former executive management of NEPI, have established a new property development and investment partnership. The business, Prime Kapital raised in the beginning of March 2016, capital in excess of EUR 260 million, and is currently looking at investment opportunities in retail, office, industrial and residential development across the CEE region.



Shopping City Timisoara is the biggest mall in Romania outside Bucharest and required an investment of EUR 83.8 million.

NEPI OPENS MALL IN TIMISOARA

New Europe Property Investments (NEPI) opened its Shopping City Timisoara. The mall in Timisoara, western Romania, required an investment of EUR 83.8 million. It has been developed on an 18-hectare land plot and has a gross leasable area of 70,000 square metres, which makes it one of the biggest malls outside Bucharest.

NEPI inaugurated the project's first phase at end-November 2015, when Carrefour opened its first hypermarket and electro-IT retailer Media Galaxy its biggest store in the region. The second phase, inaugurated end of March 2016, includes a gallery of fashion brands, cosmetics and accessories shops, a food court, and entertainment area, and a Cinema City multiplex with 13 screens.

IMMOFINANZ AND CA IMMO: PROCESS TO MERGER

Immofinanz has entered into an agreement to acquire 25,690,167 ordinary shares that represent circa 26 per cent of the outstanding share capital and voting rights in CA Immobilien Anlagen Aktiengesellschaft (CA Immo) from O1 Group Limited and Terim Limited. The transaction includes 25,690,163 bearer shares (ISIN AT0000641352) and four registered shares, each of which entitles its holder to delegate one member to CA Immo's supervisory board. The closing of the acquisition is subject to merger control clearance as well as the approval of the Immofinanz supervisory board and the approval of the CA Immo management board for the transfer of the registered shares and is expected to take place in summer 2016.

Immofinanz has proposed that the acquisition of the CA Immo stake is a first step towards a planned full combination of Immofinanz and CA Immo by way of a statutory merger. Prior to the envisaged merger, Immofinanz is planning to demerge or sell its Russian asset portfolio which is characterised by different market dynamics and a higher risk profile.

SOUTH-AFRICAN ACCELERATE TO SET UP CEE INVESTMENT PLATFORM

South-African Accelerate Property Fund announced the establishment of an investment platform for Central and Eastern Europe. The investment platform's investment philosophy is to build a portfolio up to 25 per cent of Accelerate's total assets.

In implementing the strategy, an initial portfolio of big box retail properties in Austria (\pm 80 per cent) and Slovakia (\pm 20 per cent) has been identified as an off-market opportunity for acquisition by the investment platform. The initial portfolio is tenanted on a long lease basis by a leading blue chip multinational retailer operating across Europe. The portfolio is concentrated in large cities of Austria and Slovakia and offers approximately 104,000 square metres of gross lettable area. The purchase price for the assets is estimated at up to EUR 140 million. The total transaction size may be reduced following the final due diligence. The anticipated timeline for completion of the initial acquisition by the investment platform is July/August 2016.

STAFFING



left: Bernhard Berg
right: Douglas Edwards



left: Neil Harris
right: Nicklas Lindberg



left: Jeremy Plummer
right: Ben Roger-Smith



Jos Tromp

Bernhard Berg will become the new Management Spokesman of Corpus Sireo Holding GmbH and CEO of the German real estate company as of 1 June 2016. Bernhard Berg will succeed Ralph Günther, who will take on the position as Chairman of the Supervisory Board of the company. Bernhard Berg joins Corpus Sireo with 25 years of experience in the real estate industry. In his most recent position, he worked for two years at Hannover Leasing Investment GmbH where he was responsible as Managing Director for asset purchasing and structuring as well as sales in the field of institutional investors. As Management Spokesman of the former IVG Institutional Funds GmbH, Bernhard Berg has previously spent a period of four years.

Douglas Edwards joined KGAL Capital on 1 April 2016 as Head of International Institutional Business. The native Briton has more than 25 years' experience in the international real estate industry and broad expertise in the structuring, acquisition and closing of large transactions. Before joining KGAL Douglas Edwards has been Managing Director of Corpus Sireo International.

Neil Harris, Senior Vice President at GIC Real Estate International, has been announced as INREV's new Chairman. He follows Patrick Kanters who is stepping down from the Management Board after serving a full term of six years. Neil Harris becomes the first representative from a sovereign wealth fund to take this role, which is traditionally filled by an institutional investor. A Chartered Surveyor with over 30 years of experience in European real estate, he joined GIC in May 2007. Headquartered in Singapore, GIC is one of the world's leading sovereign wealth funds.

Nicklas Lindberg has been appointed new CEO of Echo Investment. He will replace Piotr Gromniak, who will remain in the company's board as its COO. For the last 15 years Nicklas Lindberg has been with Skanska where he worked as President for Skanska Commercial Development Europe (CDE), Skanska's business unit that develops properties in Central and Eastern Europe, and Head of Skanska Property Poland, a unit within CDE. Prior to that Nicklas Lindberg had worked with Residential Development in the Nordics and for Skanska Russia as both CFO and CEO.

Jeremy Plummer is new Head of Europe, Middle East & Africa (EMEA) Region at CBRE Global Investors. He succeeds Pieter Hendrikse, who left CBRE Global Investors at the end of April. In addition to his EMEA responsibilities, Jeremy Plummer will also continue as CEO of CBRE Global Investment Partners (GIP). Jeremy Plummer joined CBRE Global Investors in 2006 with the acquisition of Oxford Property Consultants, which he co-founded in 2001. He has been a member of the CBRE Global Investors Global Executive Committee since 2013.

Ben Roger-Smith has been appointed Head of EMEA Structured Finance of JLL. He joins JLL from Finn Square Capital LLC, and previously spent 15 years at HSBC as part of the Global Structured Finance team responsible for the origination, structuring and distribution of asset backed securities.

Jos Tromp takes the role of Head of Research, Continental Europe, at CBRE. Additionally Jos Tromp will be responsible for all EMEA Capital Markets research and will also oversee the Dutch research team. Jos Tromp is also a member of CBRE's EMEA Research Board. Before Jos Tromp joined CBRE in 2008, he was Head of Research at JLL in the Netherlands. Since then he has held several international research positions at CBRE. In his last role he headed up the research teams in Central and Eastern Europe and Africa and he was a member of the CEE Board of Directors.



LETTINGS

PROLOGIS PARK PRAGUE, PRAGUE

CZECH REPUBLIC 

Prologis has signed a lease agreement with Linemart, a third-party logistics provider owned by Shenzhen Sailvan Network, a China-based e-commerce company, for 18,166 square metres of distribution space at Prologis Park Prague – Airport DC1. The transaction was facilitated by real estate consultancy 108 Agency. Linemart, who operate the online clothing stores CNDirect and Dress Link, will use the space to serve their customers across Europe. Prologis Park Prague Airport currently comprises two buildings on 33 hectares of land with a potential build-out of up to 72,000 square metres. Located just five minutes from Václav Havel Airport Prague, the park provides access to national and international traffic and trade routes via the D5 highway.

UHRÍNEVES PARK, PRAGUE

CZECH REPUBLIC 

Autodoprava Hod has leased 1,245 square metres of warehouse space in Valad Uhrineves Industrial Park thereby adding the fifth service point to its current four service centres in the Czech Republic. Established in 1991, Autodoprava Hod provides logistics services mostly within the Czech Republic and Slovakia. JLL has negotiated the lease agreement on behalf of Autodoprava Hod. Valad Uhrineves Industrial Park is located in Prague 10 and has 8,253 square metres of warehouse space. The location enables easy access to the D1 and D11 highways as well as to the city centre.

LAURUS OFFICES, BUDAPEST

HUNGARY 

Wizz Air Hungary Kft., the largest low-cost airline in Central and Eastern Europe, moved its Budapest headquarters to the Laurus Offices. Wizz Air is renting nearly 3,200 square meters of office space in building B of the complex, which was developed by Erste Group Immorent Kft., an affiliate of Austria-based Erste Group. Laurus Offices with nearly 14,000 square meters of net rentable office area and around 1,000 square meters of retail and food space is located at the junction of Budapest's airport corridor and major transit routes. The site is a ten-minute drive from either Budapest's Ferenc Liszt International Airport or the city centre and in close proximity to the Határ út metro station.

BTC CITY, LJUBLJANA

SLOVENIA 

Decathlon made its entry onto the Slovenian market and opened a store with more than 2,750 square metres in BTC City Ljubljana. BTC City comprises more than 450 shops, 60 bars and restaurants, 8,500 parking lots, a green market, two business towers, a start-up hub and accelerator, a theatre, a sports centre with five tennis courts and fitness facilities, an Atlantis Water Park, which consists of 16 pools and 17 saunas, as well as an adrenaline park.

IN THE CLIMB: AIRPORT CITIES



Around Frankfurt Airport a city developed comprising nearly all urban functions.

Since long airports do not only deal with aviation. On ground they are also real estate locations with potential. Here airport cities have been established, are to be further developed and are 'taking-off'.

Strictly spoken airport city is a contradiction in terms. Either it is a city or an airport. But what means 'airport city'? A city with an airport could be one reasonable explanation, but this is not what the term means. It is rather the contrary: it means an airport where in the immediate surroundings is something more than only aviation facilities.

European pioneer in the development of an airport city is Amsterdam with its Schiphol airport. There started the trend to establish offices, hotels, retail, restaurants and bars and others in the direct neighbourhood of the airport. Mainly at airports that are a hub especially for in-

tercontinental connections or for connections into a certain international region. But also more regional airports too small for airport cities have at least an airport park. And hotels and car parks are available in every case.

Besides Schiphol Frankfurt am Main has an airport city since decades. It started with the Sheraton hotel and offices directly opposite of Terminal 1 that opened in 1972. In one of the buildings there is still today the 'Airport Club' with conference facilities and a restaurant.

Later on followed the multi-storey building on the top of the Frankfurt Airport long-distance train station. Its dimensions and design make it a groundscraper originally named AirRail Center, but since 2010 it is known as The Squire. And on the opposite side of the airfield the CargoCity Süd has been developed as a new logistics hub.

The Frankfurt example shows all types of use of an airport city. The portmanteau 'Squire' from the words 'square' and 'air' tells about public meeting places and thereby about a certain quality of stay. Like in cities in general the logistics facilities are located more in the outskirts area, while offices and hotels are more central and near the – at airports covered – main squares.

Let us hop from Frankfurt to Vienna, an important if not the most important hub for Central Eastern and South-Eastern Europe. Here Flughafen Wien AG (Vienna International Airport) is owner of an area of 1,200 hectares. Two thirds of it are dedicated to flight operations, one third of the area shows a similar use as in Frankfurt's airport city. And Vienna International Airport is taking its slogan "open to new horizons" seriously also on the ground. "Real estate development is an important part of the strategy for the



Vienna Airport City is characterised by short distances and vicinity to the terminals.

airport development", Günther Ofner, Member of the Management Board of Vienna International Airport gets it to the point. "Already a quarter of the airport's total turnover is generated by the non-aviation segment", he gives the reason for the importance of real estate development at the airport and continues: "This potential we want to develop further."

With this development Vienna has got quite far. Of a total of more than 140,000 square metres of commercial areas about 84,000 square metres of office and conference space are located in the Office Park buildings directly opposite of the new terminal. There is to be developed also a new hotel, necessary to augment the currently still small accommodation offer by only one NH hotel. In February 2016 on an 6,300-square metre plot directly behind the Office Park the ground-breaking ceremony for a new Hotel Moxy Vienna Airport took place. The 400-room hotel of the Marriott lifestyle brand will comprise about 14,000

square metres of space on seven storeys and will be directly linked with the terminal by a pedestrian subway. Opening is scheduled for the beginning of 2017. The internationally active Vastint Hospitality B.V. is investing EUR 22 million in the project that will be operated by Bierwirth & Kluth Management GmbH.

"We are developing and investing ourselves, we commit others to develop, and we are also open for joint ventures", states Wolfgang Scheibenpflug, Manager for Real Estate Development and Marketing at Vienna Airport. Before he joined Flughafen Wien AG, he was head of the commercial property department at the real estate consultancy EHL. Therefore he is aware of the importance of lettings: "Major tenants are Austrian Airlines, based in Vienna, and Eurowings, both part of the Lufthansa Group, as well as Air-Berlin partner Niki", explains Wolfgang Scheibenpflug and emphasises: "But the number of tenants not aviation-oriented is increasing."

Meanwhile Office Park I (26,000 square metres) and Office Park II (24,000 square metres) – both buildings opened in 2005 and 2007 respectively – are rented out. So further development is reasonable. Office Park III will comprise between 15,000 and 20,000 square metres of floor space. The new tower will be located in direct neighbourhood of the terminal 1 on an area currently used for car parking. Construction will start in 2017, and completion is scheduled for 2019. According to Wolfgang Scheibenpflug for this building they want to attract mainly tenants from non-aviation industries.

Energy efficiency and ecological aspects are on the top of the agenda of Flughafen Wien AG. Vienna's airport city is the first commercial area in Austria awarded with a quarter certification by ÖGNI Austrian Sustainable Building Council. And for Board Member of Flughafen Wien Günther Ofner ecology and economy are mutually beneficial: "With an energy efficiency programme we save 6 per cent of power costs – that is about EUR 1 million." And regarding the ecological certification he has also the airport's competitiveness in mind: "Potential international tenants have a choice of many airport cities in Europe. And such a certification is an important unique selling point."

Decisive for an airport city are also connections on the ground, how the respective inner city or other cities in the country can be reached. This means motorways and roads, but in times of increasing climate sensibility and sustainability requirements also and mainly railway connections. To arrive quickly and at a reasonable price in Vienna's inner city there are available not only buses and suburban railways, but also a special City Airport Train, in short: CAT, that is going non-stop to Wien Mitte (Vienna Centre) railway station in only 16 minutes. In Wien Mitte some airlines are also offering the possibility to check-in and to drop-off the luggage. Since December 2014 Vienna Airport is also directly connected with the railway system of ÖBB



Aerial view on Düsseldorf Airport City (right) and en detail the office building Panta Rhei (left) owned by Immofinanz.

(Österreichische Bundesbahnen, Austrian Federal Railways), securing not only quick connections to Vienna Main Station but also offering direct trains to Linz, Klagenfurt and Salzburg. Like in Frankfurt also in Vienna the direct and completely covered access to the long distance railway station is augmenting the attractiveness of the airport city.

Nearly at the same time as Vienna, or to be more precise: at the beginning of the millennium, Düsseldorf Airport City started to be developed. But there was a fundamental difference between both, Vienna and Düsseldorf airport. In Düsseldorf the conversion of a former military area used by the British Army gave the impulse. In 2003 the marketing of the approximately 23 hectares started. Today the Business Park comprises about 148,000 square metres of land plots.

"The development of the airport city is the core of the real estate development at the airport", explains Anja Dauser, Managing Director of FDI, the real estate company of Flughafen Düsseldorf. "Development is based on a clear concept. The main target is to maintain and to increase value of the properties for investors. That includes that FDI accompanies the planning and discusses with investors the quality and variety of architecture." She is aware of the potential explosiveness of FDI's participation in the planning process and adds: "But in any case investors and tenants have enough freedom to plan and design the property."

Investors and tenants get also something more: location marketing. "Tenants should feel well and be able to network", Anja Dauser justifies the add-on and points to the success: "In retrospect no tenant that once decided to settle in Düsseldorf Airport City has changed the location after his lease agreement expired. Companies stay here and take advantage of the possibility to expand."

Further synergies are favourable for location selection and loyalty to the location. One is the fact that airport terminals are – in front of and behind the security check – meanwhile some kind of shopping centres. Retail stores, restaurants and bars in the pre-security area provide tenants and users with supply – and that also at times when 'normal' shops have already closed. On the other hand those working in the airport city are causing additional sales to the turnovers generated by passengers, visitors and airport employees.

In Düsseldorf as well as in Vienna there are daily connections to destinations in Russia. In the largest country of the world air travelling is important because of the great distances, but airport cities are still rare and in an early stage of development. "Relevance of airport city development is applicable only for such metropolises as Moscow, St Petersburg, Novosibirsk and Yekaterinburg. Their airports have all advantages of becoming Aerotropolises with business and infrastructure projects", states Vladimir Ivanov,

CEO of Spectrum Group of Companies headquartered in Moscow. The multidisciplinary engineering holding company is involved in construction projects in some Russian airports and took also part in the development of Airport City St. Petersburg, a development of ZAO Avielen A.G., a joint venture of the three Austrian companies Warimpex, CA Immo and UBM. Opposite of terminal 2 of Pulkovo International Airport arise two office towers – Jupiter I and Jupiter II –, one with eight, the other with eleven storeys, as well as the hotel Crowne Plaza St. Petersburg Airport with 294 rooms and conference facilities. The hotel was opened in December 2011, the office buildings in March 2012. Meanwhile the office buildings rented to companies of the Gazprom Holding are sold. As a third office building followed Zeppelin with 12 storeys, completed in 2015. The office space amounts to a total of 31,000 square metres. Franz Jurkowitsch, Chairman of the Management Board of Warimpex, with a share of 55 per cent the majority owner of ZAO Avielen A.G., is optimistic for the future. "The Airportcity St. Petersburg will further develop. Currently a car park with more than 20,000 square metres of space is under construction and will be opened at the beginning of 2017. Potentially another office building with 40,000 square metres of leasable space will follow by 2018/2019."

Efficient airport cities need attractive airports with a considerable offer of flights

to many national and international destinations and an abundant number of passengers. Vladimir Ivanov is aware of the fact that the situation in Russia is currently difficult. "It is not a secret that the geopolitical situation in the world influenced Russian touristic market as well. As the result domestic passenger traffic flow became twice higher than

Only some 100 metres opposite of Terminal 2 Gateway Gardens is located, a 35-hectare area where in former times the US Army has been based. After the withdrawal of the American troops the conversion of the area into a modern city district started. End of February a new Holiday Inn Hotel celebrated the topping out ceremony. A joint venture of Münch-

ility northeast of the airport: the Steigenberger Hotel Unterschweinstiege (now Steigenberger Airport Hotel). Today the area has become a hot spot for hotels.

But with 700,000 square metres of gross floor area Gateway Gardens has more on offer than only hotels. So far among others Condor, DB Schenker and LSG Sky Chefs have settled here and more than 4,500 people are working in Gateway Gardens. Kerstin Hennig, Managing Director of Grundstücksgesellschaft Gateway Gardens GmbH, owned by airport operator Fraport AG, the City of Frankfurt and the two development companies OFB and Groß & Partner, characterises the currently biggest development in an airport city in Europe as "a new Frankfurt district located in the centre of the main transport routes". And she points to improvements in the light rail traffic: "By 2019 Gateway Gardens will have its own interurban train station."

As different concepts for airport cities are, they all have a lot of things in common. In this context especially two aspects should be mentioned: The direct neighbourhood to the airport has not only advantages but also its risks: who is arriving by airplane is normally leaving the airport directly to the respective city or travelling to a further destination. It is the same for those who start from the airport: they arrive at the airport only to leave it by plane. Especially hotel developers should keep this in mind when calculating the number of rooms.

What is also important for an airport city is the real estate market in the respective city: does the city offer abundant and attractive office and retail space, then the airport city is only one location among others. Is the offer in the city only small then the airport city has a bigger chance of success. For companies who have no need of an airport in direct neighbourhood inner city locations or new office districts compete with the airport city and this competition might be even stronger than the competition among airport cities themselves. | **Andreas Schiller**



Airport City St. Petersburg – the Crowne Plaza hotel and two of the office buildings

the international and that was not really what Russian developers have expected. Therefore Pulkovo is on its 'ascend' to be an aerotropolis." And that has its impact also on Pulkovo Airport City. There is no direct link to the new terminal opened in December 2013. And different to other international airports a direct railway connection to the inner city is still missing, not to mention a connection to the railway network in general. However, the new trade fair centre Expo Forum, opened in 2015, is only ten kilometres away from the airport – in Russia a small distance to overcome without serious traffic jams because of its location outside the inner city.

Travelling with Aeroflot to Frankfurt, passengers arrive at Terminal 2 – like many other passengers of international airlines.

ner Grund, a subsidiary of UBM Development AG, and Munich Hotel Invest, a company belonging to Lambert Group, is developing the 288-room hotel that will be opened end of 2016. Only two weeks later, mid of March, Union Investment secured a 3,000 square metre plot from Feuring Group. In a classical forward purchase agreement Union Investment agreed to acquire the hotel after completion and that Feuring Group will operate the hotel under the Hyatt Place brand for the next 30 years. Construction of the 312-room hotel will start this year.

Holiday Inn and Hyatt Place are under development, but in Gateway Gardens are already located a Park Inn by Radisson, a Moxy by Marriott and a Meininger Hotel. In former times there has been only one accommodation possib-

"ART AND TOURISM" IN MALLNITZ



Mallnitz is a typical resort in the Alps and – like many others – competing for tourists. Art should help to sharpen the profile.

Also for those who do not know Mallnitz in the High Tauern in Austria, a conference about cultural tourism was offering suggestions interesting for many other municipalities. Because for rather traditional resorts it becomes more and more difficult to develop a distinctive (positive) image and a so called unique selling point.

Mallnitz with its 800 inhabitants is not one of the internationally generally known tourist destinations. Me, too, I had nearly no idea of it before the Initiative Pro Arte Mallnitz and the Tourist Office of the municipality in the High Tauern of Austria invited to moderate the First Art Winter Days in Mallnitz. The topic of the event was: "How can art promote tourism?" and "Carinthian art – the winning margin for image development".

At least the topic sounded interesting and is generally an important one, I have never been in Mallnitz or Carinthia and had no idea about Carinthian art. I am personally interested in arts and culture,

but I have less occupied myself with small towns economically strongly depending on tourism. Therefore the invitation was some kind of challenge!

The arrival in Mallnitz was by train. That sounds trivial but being directly linked to the railway net connecting Salzburg and Klagenfurt is very important for Mallnitz and includes the fact that Eurocity trains from and to Germany are stopping here. Mainly in times of sustainable tourism the railway connection is an important precondition.

However, the number of tourist leaving or entering the train in Mallnitz was as small as in many other resorts. Generally there is to state that in the past in traditional holiday destinations the hospitality industry – hotels, boarding houses, holiday flats – had experienced better times than today. The chairwoman of Pro Arte Elisabeth Koch is not only owner of the hotel "Kärntnerhof" in Mallnitz, but as well initiator and patroness of arts not only in Mallnitz but in cities like Brussels, Bud-

apest and Cologne as well. Therefore she decided to use her network and to put together the three aspects: art, Mallnitz and tourism – not least to position the High Tauern municipality and the own hotel on the market. With meanwhile 160 works of art the hotel "Kärntnerhof" is – in some respects – the biggest gallery of contemporary art in Mallnitz and presumably also in whole Carinthia.

While the presence of art in Mallnitz is growing, the number of tourists is at the best stagnating if not decreasing. This problem is well known not only there. Many villages and towns in and outside Austria have the same experience. Furthermore all tourist destinations are competing directly in a hot seller's market. Is cultural tourism a possibility to be successful?

Ádám Ruszinkó, Deputy State Secretary for Tourism in the Ministry of National Economy in Hungary, presented "Facts and figures of Hungarian tourism and the importance of cultural offers". During the first eleven months of 2015 overnight stays



From the left to the right: Béla Dören, Deputy Mayor Anton Glantschnig and Mayor Günther Novak from Mallnitz, Martina Rattinger, Ádám Ruzsinkó, Erika Schuster, Chairman of the Tourist Office Mallnitz Uwe Penker, Elisabeth Koch, Andreas Schiller and Peter Rupitsch.

in Hungary generated EUR 644 million gross turnovers representing an increase of 13.2 per cent against the same period the year before. The gross room rate was at an average of EUR 56.30, the gross RevPar (Revenue per available room) at EUR 30.90. Nationwide the leading countries by guest origin are Germany (1), UK (2) and Austria (3), in the capital city of Budapest, however, it is UK (1), USA (2) and Germany (3). For Austrians Budapest is mostly only a day trip.

Ádám Ruzsinkó stated "a dominant influence of culture" on tourists' decisions. Mainly the capital city of Budapest is offering many cultural attractions most of them belonging to the World Heritage. But the offer comprises not only opera, museums and traditional locations for classical music but also festivals as "Szigeet" or away from Budapest "Balaton Sound". In the whole country more than 3,000 festivals are taking place every year. I was especially impressed by the abbreviation CAFe for "Contemporary Art Festival". Regarding the profitability of cultural events Ádám Ruzsinkó gave the example of a city in the south of Hungary: When in

2010 Pécs has been European Capital of Culture, the revenues by visitors from Austria tripled.

With the phrase "active experience with becoming acquainted with and preserving local culture" the Deputy State Secretary for Tourism mentioned something also being important for Mallnitz. That demonstrated the presentation of Peter Rupitsch, Director of High Tauern National Park, with 1,856 square kilometres the largest nature reserve in the Alps and part of the "United Nations List of Protected Areas".

Peter Rupitsch highlighted three main tasks: management of the nature environment, science and research as well as education and visitors' information. As examples he mentioned the resettlement of traditional, meanwhile threatened species in the region like Alpine ibex, bearded vulture and autochthon river trout, an educational programme for children about climate, and the BIOS National Park Centre with its permanent exhibition "Discover Hidden Wonders" informing about nature, but offering conference facilities as well. The statement "we all are

part of the national park" is emphasising that cooperation of everybody as well as a bottom-up approach is necessary, the latter also including cultural initiatives. But mainly Peter Rupitsch pointed to the importance of water resources in the High Tauern National Park. It is not only the impressive figures of 180 square kilometres of glacier area, 136 lakes and 279 streams, but as well the fact that hydro-power is a renewable energy source.

Vital for all known forms of life water can also be linked with tourism and art in Mallnitz. Why not creating and promoting a brand Mallnitz' natural spring water with drinking water quality and selling it in especially manufactured bottles? Bottles designed by artists in a limited edition could be a souvenir, Elisabeth Koch suggested. With "Art & Aqua" she as the initiator of the idea has already a suitable brand name. But "Art & Aqua" will be more than especially bottled water. There are ideas of an eight kilometre long art trail by the same name with nine stations, four of them with drinking fountains designed by local artists.

Béla Dören, Head of the urban network institute and at last mayor of the town of Homberg (Ohm) in Upper Hesse in Germany, emphasised the importance of networking and communication: "The only way to develop a plausible concept for economic development of municipalities is to be linked with different players and with other municipalities and to communicate with each other."

Furthermore he mentioned another challenge he was facing in Homberg as well as other municipalities have to struggle with: In Homberg 68 per cent of the inhabitants are commuters, working in bigger and economically more attractive cities like Frankfurt am Main or Kassel. At least these commuters are still living in the town, while others had completely left. That means not only the number of inhabitants is decreasing, but vacancies of flats and entire buildings are increasing. But to keep people in a town and to win newcomers it is necessary to be attractive.

And besides high-speed internet access culture is one of the 'musts'.

Aware of this 'must' is also the city of Gmünd, nearly 50 kilometres away of

has only limited accommodation capacities, as Erika Schuster stated. So mainly day-trippers are coming to Gmünd. In contrast, Mallnitz has the advantage of sufficient accommodation capacities.



On the station square and on other public places – Mallnitz is attracting by art.

Mallnitz and one of the most ancient towns in Carinthia with a corresponding inner city. What Erika Schuster, Managing Director of Kulturinitiative Gmünd (Cultural Initiative Gmünd), reported about the increasing importance of art in and for Gmünd, sounded like a success story. While in former times the historical centre was covering more or less emptiness, the importance of "culture in old buildings" became more and more important since the start of the idea in 1991. By the efforts of Kulturinitiative Gmünd the town with its 2,600 inhabitants, formerly with a (non-)profile like many other towns of the same size, gained an individual profile.

Meanwhile the town is proud of its image as 'Künstlerstadt' (artists town), a name the town is promoting also on its homepage. An advantageous side-effect: who enters 'Künstlerstadt' in a web searching engine, will quickly see the hit 'Künstlerstadt Gmünd in Carinthia'. However, Gmünd

With speakers and guests from Hungary, Germany, France and Austria the European aspect has not to be missed. It was represented by Martina Rattinger, Head of Carinthia's EU Office. Established in 1995, the year of Austria's accession to the European Union, it is one of the approximately 250 regional representations within the EU in Brussels. Martina Rattinger gave an overview of the many different interests in EU lobbying, but also spoke about EU subsidiaries. In the years 2014 to 2020 the European Regional Policy provides Carinthia with EUR 80 million and the Common Agricultural Policy with further EUR 710.5 million. The lion's share of the subsidiaries of European Regional Policy comes from the Investments in Growth and Employment Programme, financed by the European Regional Development Fund. Furthermore Carinthia takes part in the cross-border, interregional and transnational programmes of the European Transnational Cooperation. Martina Rattinger emphasised that EU in-

stitutions "do not provide concepts. These have to be developed by the region itself. Therefore creativity is in demand."

If Mallnitz is benefiting from EU subsidiaries has not been a topic during the conference. However, with water and arts two pre-conditions are given to score in future tourism concepts. But still more important is something else: the nature and especially the unique landscape of the High Tauern. This could also be linked with wellness and health tourism. Furthermore there could be mentioned current developments in Mallnitz, but that all would be going too far in this article.

The summary of my visit: Mallnitz is for sure not a 'hot spot' nor a chichi destination, but quiet and normal and for some in search of permanent entertainment perhaps a bit boring. However, this unexcited 'normality' is also a quality that should be maintained and further developed very cautiously.

The challenges of today Mallnitz has in common with many other municipalities – not only in the Alp and not only in Austria: the decreasing number of tourist as well as decreasing population. Therefore the exchange of experiences and expectations regarding art and culture, tourism and regional development was not only a topic for Mallnitz, but also of general interest. Perhaps other municipalities have the focus on other topics, the main questions are the same: Who are we? Where do we want to go? The event did not offer direct answers, but proposals, it was opening new perspectives and may help to avoid mistakes – not only in Mallnitz. And as Béla Dören stated one of the important requirements for success is network and to communicate. That has been fulfilled in Mallnitz.

When departing from Mallnitz railway station, I looked back to the panorama of mountains. At first I did not notice the work of art recently positioned at the station square. But once it got my attention it was some kind of art's last greeting – with nature in the background. **I Andreas Schiller**

FOR YOUR PLANNING

When	What about	Where	For information and registration
30. and 31. May 2016	GREET Vienna	Palais Niederösterreich, Herrengasse 13, Vienna, Austria	www.greetvienna.com
8. – 11. June 2016	ERES 23. Annual Conference	Vielberth Building, University of Regensburg, Regensburg, Germany	www.2016.eres.org
20. – 22. June 2016	Rebec 9. SEE Real Estate Belgrade Exhibition & Conference	Metropol Palace Hotel, Bulevar kralja Aleksandra 69, Belgrade, Serbia	www.rebec.rs
22. – 24. June 2016	Smart me up! REAL CORP 2016 21st International Conference on Urban Planning and Regional Development in the Information Society GeoMultimedia 2016	Landesbetrieb Geo- information und Vermessung, Neuenfelder Straße 19, Hamburg, Germany	www.corp.at
4. – 6. October 2016	Expo Real 19th International Trade Fair for Property and Investment	Messe München, - Messegelände, 81823 Munich, Germany	www.exporeal.net

RETAIL AT A TURNING POINT – INNOVATION IN DEMAND



Uwe Seidel (Editor)
Innovationen im Einzelhandel
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Digitalisation has changed the world of retail sustainably, or in other words: today the customer is buying not only in shops, but also mobile and online. This trend will still intensify when the 'digital natives' are entering the stage of active consumers.

Today retailers have to present via all channels to be successful in the long run. Here the book "Innovation in retail – to implement seamless shopping successfully" (available in German only) can offer at least some thought-provoking impulses to manage these challenges. Different authors, all dealing with different aspects of retail, are analysing the change by digitalisation from 13 different points of view and point to already successful solutions.

The first two chapters are analysing the impact of digitalisation on retail in general. No doubt, digitalisation will cause further concentration in retail because operating further sales channels means higher costs. But the scope to augment prices is becoming smaller and smaller. So margins will further decrease.

When talking about the challenges retail is facing by digitalisation, the keyword was 'multi-channel' for a long time. Meanwhile the term changed to 'omni-channel' and comprises not only stores and e-commerce, but also search engines, affiliates, newsletters, social networks and many other so-

called touch-points. Because the customer does not think in categories like channels, but depending on his current situation, his needs and down to his whim he decides to take this time the one, next time the other way to consume. So it becomes more and more difficult to maintain customer's loyalty. On the other hand digitalisation provides retailers with great opportunities to learn about their customers, their habits, their desires and offers the possibility of a very targeted customer approach.

Further chapters are dedicated to mobile payment, a topic in discussion not only in retail but also generally in the financial industry; to new forms of retail like curated shopping, pop-up-stores and showrooms as well as virtual fitting rooms; to new possibilities offered by technical devices like drones, head-mounted displays and holographic computers; to the fact that meanwhile some online retail companies are opening shops; to the question how groceries can not only open for online shopping but also provide the delivery of fresh food; to shopping centres and how they can lead the way to the 'brave new retail world'.

A final chapter summarises the fundamental results of the individual articles and put them in a greater context. In short: for all, dealing with retail the book is offering some orientation for the digital future of retail.

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