

SPH newsletter

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special

There are only some weeks left before Expo Real in Munich is opening its doors. A look at the conference programme might help to plan your visit.

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Companies performing on the market since decades have experienced an eventful history and have demonstrated power of endurance.

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DEAR READERS!



This year the August issue is the real summer issue. Because in July it was summer according to the calendar, but not really by the weather. Cloudless sky, warm and sunny days we could experience only this month – at least where we live. 'Cloudless' corresponds to an invitation from RICS Berlin-Brandenburg Regional Group. In Berlin Henryk Plötz gives a lecture headlined: "There is no cloud ..., only other people's computer." Congratulations! More accurate some uncritical euphoria about digitalisation cannot be put into the right perspective.

Furthermore the invitation about the topic IT security adds: "It is about the awareness of your own activities and its effects." And at the end: 'reflected' confirmation of attendance is required – again a likeable wording, irrespective of the topic IT security. Because 'reflection' is also fitting to the summer holiday time. Who experienced some manifestations and effects of tourism, might understand graffiti as "Tourists, go home!" seen in the meanwhile totally overrun city of Barcelona. To travel in a more 'reflected' manner and to think about the 'own activities and its effects' could be an alternative.

End of September in Salzburg I will moderate a symposium about "The importance of the cultural and historical heritage for regional tourism". The title sounds a bit cumbersome, but at least the 'ingredients' are the right ones. Afterwards, in October, at Expo Real there will be the more familiar topics about real estate and investment – also for many of you, dear readers. Already now I am looking forward to both events.

Yours,

Andreas Schiller



Skanska's new office project Spark in Warsaw will consist of three buildings providing a total of approximately 70,000 square metres of leasable space and will be completely adjusted to the needs of disabled people.

SKANSKA STARTS NEW OFFICE PROJECT IN WARSAW

Skanska commenced the construction works on the first phase of Spark office project. Spark will be developed on the so-called Serek Wolski area at the cross section of Okopowa and Towarowa Streets. Spark will be the first office project to be recognized with 'Object with no boundaries' certificate approved for buildings adjusted to the needs of disabled people.

In total, the project will consist of three office buildings, including a 130-meter high tower. After completion, Spark will provide approximately 70,000 square metres of leasable space. First phase with a total leasable area of around 12,300 square metres is scheduled for completion in the first quarter of 2018.

PROLOGIS: NEW DEVELOPMENT IN CENTRAL POLAND

Prologis has signed a 42,170 square metre build-to-suit (BTS) agreement with Agata at Prologis Park Piotrków II in Poland. Real estate agency CBRE facilitated the transaction. Agata is one of the leading Polish distributors of furniture, interior furnishings, decorative items, lamps and textiles. It currently operates 19 large retail outlets in all major Polish cities and two central warehouses.

Prologis Park Piotrków II currently comprises a single 17,500 square metre building. It is located on the outskirts of Piotrków, 40 kilometres from Łódź, the capital of the Central Poland region. The park is located at the intersection of two main transport routes: the A1/E75 motorway, linking northern and southern Poland, and the 8/E67 express road, linking Prague, the Silesian agglomeration and Warsaw with Białystok and Vilnius.

IMMOFINANZ EXPANDS WITH STOP SHOP

Immofinanz is continuing the expansion of its Stop Shop retail park: the 57th location was opened in the Polish city of Szczytno. After Niš in Serbia and Swinoujście in Poland, this represents the third project completion in two months – and the next locations have already been identified: Stop Shop will open in the Serbian city of Valjevo during early autumn, and in Poland preparations are underway for retail parks in Pultusk and Gdynia.

The Stop Shop Szczytno is the sixth location in Poland. It has approximately 3,600 square metres of rentable space and is fully rented – similar to the Stop Shop Swinoujście (3,600 square metres) and the Stop Shop Niš (13,000 square metres).

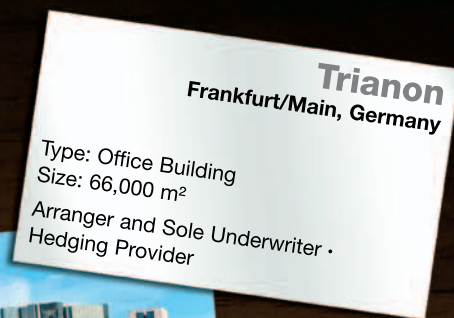
The concept of the Stop Shop brand is based on regional shopping centres in central locations with catchment areas of 30,000 to roughly 150,000 residents. The retail parks have 3,000 to 15,000 square metres of rentable space.



Upper Zeil

Frankfurt/Main, Germany

Type: Shopping Center
Size: 15,000 m²
Arranger • Lender • Agent



Trianon

Frankfurt/Main, Germany

Type: Office Building
Size: 66,000 m²
Arranger and Sole Underwriter •
Hedging Provider



Cristalia

Paris, France

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



Rondo One

Warsaw, Poland

Type: Office Building
Size: 65,000 m²
Arranger • Sole Lender



Starwood

Norway

Type: Mixed-Used Properties
Size: 227,000 m²
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Prime Corporate Center is located in Warsaw's district Wola and with Raiffeisen Bank Polska as the main tenant the building is fully let.

DEUTSCHE HYPO FINANCES PRIME CORPORATE CENTER IN WARSAW

Deutsche Hypothekenbank is acting as the sole lender to a real estate company, which is managed on behalf of four independent investors by Warburg-HIH Invest Real Estate GmbH, for the purchase of the Prime Corporate Center office building in Warsaw. The financing volume amounts to EUR 40.5 million. In addition to this long-term investment financing, Deutsche Hypo is also providing a short-term bridging loan to cover the VAT element in the amount of EUR 14.2 million.

The newly built 28-storey office complex (of which five storeys are in the basement) is located in the city's Wola district, which is on the western border of the city centre as well as the central business district (CBD) and includes a useful area of more than 20,000 square metres. With Raiffeisen Bank Polska as the main tenant the building is fully let under a ten-year lease.

HINES EXPANDS ITS LOGISTICS PORTFOLIO IN POLAND

Hines Poland Sustainable Income Fund (HPSIF) has acquired a logistics portfolio from NBGI Private Equity. Five warehouse facilities account for a total of 126,289 square metres. Assets and properties are managed on behalf of HPSIF by Hines Polska. The portfolio includes logistics parks in Torun (30,308 square metres), Mysłowice (27,981 square metres), Legnica (26,030 square metres), Garwolin (25,940 square metres) and Grodzisk Mazowiecki (16,030 square metres). All properties are located near key communication routes ensuring convenient domestic and international transport.

The law firm Clifford Chance and the consulting firm CBRE represented HPSIF throughout the transaction. The seller was advised by the law firm Dentons as well as the international firm JLL. The transaction was financed by ING Bank, a branch of ING-DiBa AG.

WARBURG-HIH INVEST ACQUIRES OFFICE PROPERTY IN KRAKOW

Warburg-HIH Invest Real Estate (Warburg-HIH Invest) just acquired an office scheme located at Aleja Pokoju 5 in the Polish city of Krakow within the framework of an individual mandate for an institutional investor. The transaction was structured as an asset deal, the asset being sold by the Polish property developer Grupa Buma.

The office scheme, completed in 2016, is located in the new Central Business District close to the historic town centre of Krakow. It has nine upper storeys and a gross lettable area of 13,694 square metres.

Jan Schwarz from MF Capital advised the buyer. Legal counsel to Warburg-HIH Invest was provided by Hogan Lovells Warsaw, whereas the tax due diligence was undertaken by TPA Horwath Sztuba Kaczmarek. In technical matters, the buyer was advised by cmT construction management Team.

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Bouwfonds Investment Management has acquired a residential project in Warsaw from Matexi Polska. The development is currently under construction and will consist of 193 apartments and ground-floor retail space.

BOUWFONDS IM ACQUIRES FIRST RESIDENTIAL PROJECT IN WARSAW

Bouwfonds Investment Management (Bouwfonds IM) has acquired a residential development project in Warsaw from Matexi Polska on behalf of Bouwfonds European Residential Fund (BERF). REAS has acted as transaction advisor to the deal on behalf of Bouwfonds IM. Other advisors to the transaction included Clifford Chance, TPA Horwath and Arcadis on the side of Bouwfonds IM and Baker & McKenzie on the seller's side.

The acquired project with approximately 10,000 square metres is located in Pereca Street in Warsaw's city centre in a five minutes walking distance from the Rondo ONZ metro station and borders to the CBD. The residential development is currently under construction and will consist of 193 apartments and ground-floor retail space.

LAUNCH OF GALERIA LIBERO IN KATOWICE

Echo Investment has obtained a building permit for the construction of Galeria Libero, which is to be built on Kosciuszki Street in the southern part of Katowice. The investor also concluded a contract with the city authorities concerning the road layout around the facility. Galeria Libero is to be developed on a plot with an area of 54,000 square metres. The facility will offer a retail and entertainment area of 42,000 square metres which will be located on three floors.

ROCKCASTLE ENTERS CZECH MARKET

Rockcastle has acquired Forum Liberec from British retailer Tesco for approximately EUR 80 million. Forum Liberec is a regional shopping centre located in the heart of Liberec, the capital of the North Bohemia region. The 47,000 square metre centre opened for trading in February 2009.

Rockcastle's investment focus has been in Poland where it owns six retail centres and this acquisition represents its first investment in the Czech Republic. Its strategy is to expand its retail property portfolio in Poland, Czech Republic and Hungary through the acquisition of existing assets and retail development sites.

PTG SLOVAKIA WILL COMPLETE THE EXPANSION OF P3 BRATISLAVA PARK

The third phase of the expansion of P3 Bratislava park is now heading towards its completion. Construction has now started on the third and final building in this phase, a new 16,490 square metre facility for PTG Slovakia. Completion of PTG's new facility is scheduled for February 2017.

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Die Phase 1 des strukturierten Verkaufsprozesses endet am 19. September 2016 und wird von EHL Investment Consulting begleitet.



Sterling Business Center in Łódź is one of the two office buildings GTC has acquired in Poland. The second asset, Neptun Office Center, is located in Gdańsk.

GTC ACQUIRED TWO OFFICE BUILDINGS IN POLAND

GTC has announced the acquisition of Neptun Office Center and Sterling Business Center, located in Gdańsk and Łódź respectively. Neptun Office Center in Gdańsk, a high-rise office building, offers 16,082 square metres of leasable space. Sterling Business Center located in the centre of Łódź is offering 13,895 square metres of leasable office space. The acquisitions were financed by bank loans and GTC's own sources.

HANNER HOLDING ACQUIRED LAND PLOT IN BUCHAREST

Lithuanian Hanner Holding, the developer of several residential projects in Romania, plans to expand in the office segment after acquiring part of the land plot of the former Grivita Beer Factory, in the western city-centre of Bucharest. The property, which also includes three buildings classified as monuments – outbuildings Maltarie and Orzarie as well as the administrative building of the former Grivita Beer Factory – was acquired for EUR 5 million. Hanner plans to develop a mixed-use project, with conversions, restorations, as well as new office and residential buildings. Locally, Hanner has invested over EUR 60 million for the development of three residential projects: The Park, Carol Park Residence and City Center.

CONSTRUCTION START FOR SECOND OPENVILLE OFFICE BUILDING

Iulius Company started the works for the second office building in the Openville mixed use ensemble in Timisoara. The United Business Center (UBC) 1 building will be developed in the adjacent area of Iulius Mall, looking onto Calea Sever Bocu Street. The UBC 1 building has a special, triangular-shaped architecture, including 12 leasable floors with a total of 13,000 square metres. The Openville mixed use ensemble combines office and retail components with multiple entertainment opportunities. The construction began in September 2015 with the works for the UBC 2 office building comprising 18,000 square metres on 11 floors, which is scheduled to be completed this autumn. The investment for Openville mixed use ensemble amounts to EUR 200 million.

KANAM GRUNDINVEST SELLS RIGA SHOPPING CENTRE

The KanAm grundinvest Fonds has sold Domina Shopping Center in the Latvian capital of Riga for EUR 74.5 million. The retail property, comprising 48,500 square metres of gross rental space, is being purchased by EFTEN, an independent administrator of commercial property registered in Estonia. The sales price achieved after the bidding process exceeds the current market value. The Riga Shopping Center was the only retail property included in the KanAm grundinvest Fonds.



Cube office complex in Prague is Peakside's second investment in the Czech Republic. The property comprises approximately 21,000 square metres of gross leasing area.

PEAKSIDE ACQUIRES CUBE OFFICE COMPLEX IN PRAGUE

Peakside Capital has acquired the Cube office complex located in Prague from PGIM Real Estate. The property, located at Evropska street, a 10 minutes' drive to Václav Havel Airport Prague, comprises approximately 21,000 square metres of gross leasing area. Peakside purchased the asset on behalf of a separate account client. It is its second investment in the Czech Republic, following the acquisition of a portfolio of 72 retail assets purchased from Atrium in January 2015. The purchase price has not been released.

GREENBAY PROPERTIES TO ACQUIRE PLANET TUŠ IN KOPER

Greenbay concluded an agreement with Tuš Real Estate d.o.o. to acquire the Planet Tuš shopping centre in Koper, Slovenia. The shopping centre, with a gross lettable area of 31,625 square metres opened for trading in 2010. The acquisition agreement is subject to regulatory approvals and reflects an aggregate purchase price of approximately EUR 56 million.

STAFFING



Sascha Klaus

Sascha Klaus will join the Board of Management of Berlin Hyp on 1 September 2016 and succeed Jan Bettink as Chairman on 1 October 2016. Jan Bettink already informed the Supervisory Board last year that he wanted to step down from his post prematurely by the end of 2016 for personal reasons. The Luxembourg-born Franco-German Sascha Klaus joined the Deutsche Bank Group in 1990, where he completed his training and studies of banking economics. In 2000, he moved to Dresdner Kleinwort, New York, as Head of Financial Institutions. From 2008, he held various national and international managerial positions in risk management at the Dresdner Bank/Commerzbank Group and was a member of the Board of Management in the Eastern European holding company. Most recently, he has been a member of the Board of Management of Hypothekbank Frankfurt (formerly Eurohypo), where he was responsible among other things for the commercial real estate financing business, public finance and treasury.



Robert Snincák

Robert Snincák has taken on the role of Fund Manager of CBRE Property Fund Central and Eastern Europe (PFCE) and CBRE Property Fund Central and Eastern Europe (PFCEE). He follows Martin Sabelko who has resigned from CBRE Global Investors and will step down from managing the two funds and from his role as Managing Director, Central and Eastern Europe (CEE). Robert Snincák was previously Portfolio Manager for the company's two regional funds. He has 12 years of experience in property and asset management and has been with the company since 2005, working in various asset management roles before being appointed Portfolio Manager in 2009. Prior to this he worked as Head of Property Management for the Czech and Slovak Republic at Donaldsons (now Cushman & Wakefield).



LETTINGS

PROLOGIS PARK PRAGUE-RUDNÁ

CZECH REPUBLIC 

Prologis will deliver a 34,200 square metre build-to-suit distribution facility at Prologis Park Prague-Rudná for Sportisimo, a Czech sporting goods retailer. The agreement also includes the extension of Sportisimo's existing lease of 23,900 square metres, bringing the retailer's total occupied area to 58,100 square metres. Cushman and Wakefield facilitated the transaction. Located just off the D5 highway, 20 minutes from Prague's city centre, Prologis Park Prague-Rudná currently comprises 18 buildings totalling 175,000 square metres of distribution space.

GALERIA MŁOCINY, WARSAW

POLAND 

Retailer Van Graaf, which offers collections of well-known international brands, has chosen Galeria Młociny as the location of its new store in Poland. The retailer will open a store of almost 3,000 square metres. Furthermore Swedish Fashion brand H&M will open its new store in Galeria Młociny, also on almost 3,000 square metres. Galeria Młociny is a retail and entertainment complex situated in the Bielany district of Warsaw. The planned total area of the complex is 220,000 square metres (around 70,000 square metres gross leasing area) and it will provide about 2,000 parking spaces.

RIVERSIDE PARK, WARSAW

POLAND 

Tchibo Warsaw, a company from one of the biggest retail and coffee producer concerns in Europe, has renewed its lease for more than 1,850 square metres in Riverside Park in Warsaw. During the renegotiation process Knight Frank, the sole agent and property manager, consulted Savills Investment Management, the building owner. The tenant was represented by Colliers International. Riverside Park is an office complex of two twin buildings with a total area of more than 12,500 square metres.

SWIETOJANSKA OFFICE BUILDING, BIAŁYSTOK

POLAND 

Transcom, a global provider of outsourced customer care services, has selected the Swietojanska Office Building as the location for its new services centre in Białystok. The company has leased 930 square metres office space in the scheme. JLL represented Transcom in the negotiation of the agreement's terms and conditions.

SILESIA BUSINESS PARK, KATOWICE

POLAND 

Further companies will soon relocate into Silesia Business Park, an office complex developed by Skanska Property Poland at Chorzowska Street in Katowice. Navo Orbico and Distribev Orbico, both part of international Orbico Group, as well as KSP Legal & Tax Advice firm will occupy in total over 3,200 square metres of office space within the project's building B.

EQUAL BUSINESS PARK, KRAKOW**POLAND** 

Sii, an IT services provider, has signed a lease for 2,020 square metres of office space in building B of Equal Business Park, owned by Midvest. Equal Business Park is a complex of service and office buildings located in Wielicka Street in the Podgórze district of Krakow.

SKYRES WARSZAWSKA, RZESZÓW**POLAND** 


Deloitte has selected SkyRes Warszawska office building as the location for its CEE Business Services Center in Rzeszów. The company will occupy 2,550 square metres. SkyRes Warszawska was delivered to market in December 2015 and offers approximately 20,000 square metres of office space.

SKAŁKA SHOPPING CENTER, TYCHY**POLAND** 


Martes Sport – a retail chain offering sports clothing and accessories – has leased 700 square metres in the Skalka shopping centre in Tychy. Skalka is a shopping centre development that includes an existing Auchan hypermarket and OBI DIY store and will be extended to approximately 45,000 square metres of gross leasing area. JLL acts as the sole commercialization agent for Skalka shopping centre.

AFI PARK 4&5, BUCHAREST**ROMANIA** 

AFI Europe Romania has leased approximately 3,000 square metres of office space in AFI Park 4&5 to SecureWorks, a leading global provider of security solutions protecting its clients from cyber-attacks. With 32,000 square metres of gross leasable area, AFI Park 4&5 is linked to AFI Palace Cotroceni Shopping Mall from Timisoara Boulevard side. It is easily accessible through the public transportation system, including a nearby Metro station (Politehnica) located only 250 metres from the project.

PARKLAKE SHOPPING CENTRE, BUCHAREST**ROMANIA** 

Teren Management Europe, regional franchise partner of the American fashion chain Forever 21 for Central and Eastern Europe, will be opening the first Forever 21 store in Romania within Parklake shopping centre in Bucharest. The new store will consist of 1,600 square metres and will spread across two floors.

FASHION HOUSE OUTLET CENTRE, MOSKOW**RUSSIA** 

Melon Fashion Group, one of the leading retailers in Russia, will open its two outlet stores at Fashion House Outlet Centre Moscow, located by Leningradskoye highway M11. Befree and Love Republic, brands owned by the company, will take over 700 square metres of gross leasable area of the second phase of the scheme. In addition to Love Republic and Befree, Fashion House Group signed agreements with several new tenants: Baon, Superstep, Mr.Sumkin, and Kanz Shoes. These agreements cover over 1,400 square metres in total. Construction of the second phase of Fashion House Outlet Centre Moscow started in October and is due to open in November 2016. Second phase comprises 4,500 square metres of gross leasing area.

THE CONFERENCE PROGRAMME OF EXPO REAL



In the participant's diaries for Expo Real will be noted not only appointments, but also events of the conference programme.

There are only some weeks left before again Expo Real is taking place in Munich. Despite holiday season preparations are going full speed. And the fair's conference programme is already outlined.

When on October 4, 2016 the meanwhile 19th Expo Real will open its doors, Messe München as well as the exhibitors will have finished their preparations for the three-day event. As well visitors will have their appointment schedules ready to work off. But on the individual diaries there will not only be noted appointments with different business partners, for sure there will be noted also the one and the other panel discussion of the fair's conference programme.

Not only the fair has been growing over the years, also the number of event locations has risen to meanwhile seven different forums. The great number of panel discussions is covering nearly all topics of the real estate industry: from those of a more general interest concerning all involved in the industry to discussions about particular segments and markets, from issues of urban planning and urban development to future trends as well as technological developments that will change not only the real estate industry but life in general. Furthermore, there are also numerous exhibitor events at the respective stands or in the conference rooms.

While in the Expo Real Forum (Hall A2, Stand 540) the focus is on topics of a

more general interest, the Investment Locations Forum (Hall A1, Stand 040) is mainly dedicated to geographic markets and the Special Real Estate Forum (Hall C2, Stand 040) to 'special subjects' like hospitality, healthcare properties and logistics. Since some years the World of Hospitality and the LogRealCampus are offering 'focal point' to the hotel and tourism industry and the logistics industry respectively. An innovation this year will be the Grand Plaza (Hall C2, Stand 240), a meeting point for all involved in retail and retail real estate offering also space for panel discussions about topics around trends in retail. Headlines are "Strategies of Retailers", "Digitalization in Retail", "Enhancing the Shopping Experience", and "City Development and Retail".

City development is also the main topic of the so-called City Seminars in the Planning & Partnerships Forum (Hall A2, Stand 040) and the Discussion & Networking Forum (Hall A1, Stand 440). The panel discussions will be supplemented by the Intelligent Urbanization Forum (Hall A1, Stand 134) presenting two urban development projects: 'Berlin TXL', the planned conversion of Berlin Tegel Airport into a research and industrial park, The Urban Tech Republic, a place for founders, students, investors, industrialists, and researchers to meet and to develop urban technologies for the city of tomorrow; and the project 22@Barcelona, the urban renewal of Barcelona's former industrial area of Poblenou in the north-eastern part of the city. 22@Barcelona with about 4 million square metres of constructed floor space is one of the biggest urban regeneration schemes in Europe.



Topics in the Expo Real Forum are of more general interest for the property industry.

This year the two opening panels in the Expo Real Forum (Tuesday, 5. October 2016, 11:00 – 13:20) are headlined "The real estate sector within the overall economy". After the drop in the real estate and investment markets following the financial crisis in 2007/2008 there seems to be only one trend: upwards. That is more or less true for all markets and segments. On the other hand, political and economic uncertainties are increasing and should have a dampening effect. But the huge amount of capital in search for investment possibilities is still driving the markets. So there is to ask "Have we seen the end of cyclical thinking?" and if so what does it mean for the real estate industry in the medium and long term (11:00 – 12:15).

Talking about investment markets awash with capital it suggests itself to have a closer look at the "International capital flows" (12:30 – 13:20), where the money is coming from, how much is involved and who is looking for what, and where.

Another group of events following directly and connected to the opening sessions with regards to contents is about 'Investment'. In times of "Yield Compression: falling returns, rising purchase prices" (Tues-

day, 4. October 2016, 14:00 – 14:50) it becomes more and more difficult to identify and find profitable investment opportunities. That is true for the developed and the emerging markets as well. What do these facts mean when it comes to buying and selling property? Will the current trend in investment markets continue and if so, where are we headed? What are the "Investment strategies of big players" (Tuesday, 5. October 2016, 15:00 – 15:50) and how do specialists like "Investors and Investment Managers" answer to the investment market's challenges (Tuesday, 5. October 2016, 16:00 – 16:50)? Are the often mentioned "Alternative Investments", e.g. healthcare properties, parking garages, data centres and micro-apartments, really an alternative (Tuesday, 4. October 2016, 17:00 – 17:50)?

Some special aspect of current investment strategies will be highlighted also on the fair's second day (Wednesday, 6. October 2016): After investment objects in prime locations have become something of rarity and if there is a respective offer the properties are pricey, the focus is increasingly on locations off the generally sought-after big cities ("Away from the limelight: B, C and D location, 14:00 – 14:50).

Small and medium-sized cities can have their advantages, but their risks because these markets are less volatile. Another topic currently often discussed among investors are the increasingly shorter terms for rental contracts and tenant's higher expectations. These trends are to observe in the sector of retail property as well as in the office segment. Companies want to remain flexible in times when the working environment in offices and retail is changing rapidly – keyword: digitalisation. From the tenant's point of view it is reasonable, but for investors it becomes more difficult to calculate long-term cash flows generated by the investment ("Rental Contracts for Offices and Retail: Shorter terms, but new expectations?", 16:00 – 16:50). And especially in the field of property investment "New Partnerships" (15:00 – 15:50) are forming between "Developers and Investors, Banks and Insurance Companies". The instrument of a Forward Purchase Agreement has become more popular than ever to secure investment assets and is often signed long before the development has already started.

Another topic stirring not only investor's mind is "Brexit: What's in after out?"

(Wednesday, 6. October 2016, 17:00 – 17:50). Currently everything is still on hold and conditions of UK's exit from the EU have still to be negotiated. So nobody knows how things will develop long term and what will be the consequences. However, the question about the impact on the property markets not only in UK but in Europe generally is omnipresent and the answers given to date are quite contradictory. So perhaps the panel discussion will help to clear the confusion. And for sure the Brexit will be a topic also in the panel discussion about the UK market in the Investment Locations Forum (Tuesday, 4. October 2016, 10:00 – 10:50).

To remain with markets and locations and to direct the attention to the countries in Central and Eastern Europe: on Wednesday, 5. October 2016, in the Investment

Locations Forum panel discussions are dedicated to Russia (13:00 – 13:50), Poland (14:00 – 14:50) and Hungary (15:00 – 15:50) and already on Tuesday (4. October 2016, 14:00 – 14:50) in the Discussion & Networking Forum (Hall A1, Stand 440) there will be the focus on Romania and its "New market dynamics and opportunities".

Since three years the last day in the Expo Real Forum is dedicated to 'Master Minds' (Thursday, 6. Oktober 2016, 10:00 – 12:00). These Master Minds are thinking out of the box and are giving insights in future developments outside the real estate industry's business but influencing it in the long term. This year's topic is "Digitalization", rapidly moving on and causing fundamental changes in all areas of life. A consequence is that companies

are increasingly interested to recruit creative and innovative 'digital natives', but these people have certain requirements regarding their working and living environment that have to be fulfilled. This clientele is for sure not attracted by the classical office building at the edge of the city. Another aspect is that with increasing digitalisation companies are put in jeopardy of risks we have – at best – an idea of. Data security will be one of the major challenges of the future.

Altogether Expo Real's conference programme is quite comprehensive and offering so many topics that every participant whatever his business or special interest is will find an appropriate event. A look at the continuously updated programme (<http://exporeal.net/conference-program>) is worthwhile. | **Marianne Schulze**

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DIVERSIFIED EXCHANGE OF RESEARCH RESULTS



Sven Bienert, Wolfgang Schäfers and Steffen Sebastian (above left) were the three organizers of ERES Annual Conference. A special part of the programme was dedicated to Professor Karl-Werner Schulte and his engagement in Africa (below right).

During four days in June in Regensburg the biggest European conference about real estate research took place. About 450 participants met at the 23rd Annual Conference of the European Real Estate Society ERES at IREBS International Real Estate Business School at University of Regensburg.

Already since more than 20 years ERES is bringing together property industry and real estate research. "A core dimension of the European Real Estate Society is to facilitate interaction between academics

and practitioners in the real estate discipline at national and international levels", said Dr. Jim Berry, Professor at the Built Environment Research Institute of Ulster University in Northern Ireland and Executive Director of ERES. The ERES events are not only about presentation and discussion of most recent research results. The exchange with other academics as well as with practitioners of the real estate industry, the contact with already known and the meeting with so far unknown colleagues is at least of the same importance. That is the purpose of the annual conferences, but also of the educa-

tional and industry seminars. Every year a different university is hosting the ERES Annual Conference – in 2014 it was Bucharest, in 2015 Istanbul and this year it was the turn of IREBS International Real Estate Business School of University of Regensburg. And there gathered not only participants from Europe, but from Africa, America, Australia and Asia as well.

Main part of this year's programme were the Africa sessions. Reason for this was the 70th birthday of Professor Karl-Werner Schulte celebrated in Regensburg. "Karl-Werner Schulte is not only the

doyen of German real estate academia, but also, through his commitment to Africa, he has proven that his creative drive remains unbroken", Wolfgang Schäfers, Professor for Real Estate Management at IREBS, commented on his former doctoral supervisor. The sessions dedicated to Africa demonstrated not only the great diversity of the continent, they also proved that countries and markets in Africa are offering huge potential. "As a heterogeneous and developing continent, Africa offers distinctly attractive investment opportunities for risk-friendly investors", stated Karl-Werner Schulte, Honorary Member of ERES as well as of the African counterpart AFRES African Real Estate Society and Founder of IREBS Foundation for African Real Estate Research.

Not only for Africa, but generally the great number of presented papers and the related discussions proved the benefit of academic research into questions of the real estate practice. The broad range of topics covered nearly all aspects important for the real estate industry as well as for the academic teaching and research. But of at least the same importance were the conference breaks when mainly the sunny terrace with some catering was inviting to network and to talk to each other.

But ERES participants became not only familiar with the Vielberth Building of IREBS and the campus. The Icebreaking Event in the beer garden of a local restaurant, the Welcome Reception in the Old Town Hall, where the Lord Mayor of Regensburg introduced his city in a short welcome speech, the gala dinner in a traditional brewery and a boat trip on the Danube offered opportunities to learn a bit more about Regensburg and its local culture. Especially the international, but as well some German participants could discover one of the secondary locations currently favoured in discussions about real estate investments. There is to add: Regensburg left good impressions.

The closing event of ERES Annual Conference 2016 was the 12th IREBS Real Estate Symposium this year also dedic-



Also from Africa a delegation came to ERES Annual Conference in Regensburg.

ated to Professor Karl-Werner Schulte HonRICS and his 70th birthday. Among others Christian Ulbrich, recently appointed World President of JLL and the first German taking over this role, referred to "International capital flows and their importance for real estate investments and urban development".

Ion Anghel, Professor and Head of Financial Analysis and Valuation Department at Bucharest University of Economic Studies, was full of praise of the Regensburg event: "With this conference, IREBS has set new standards which will determine the work of ERES for years to come." Also the representatives of the real estate industry were impressed by the large variety and high quality of lectures. Martin Brühl, Managing Director of Union Investment Real Estate and till end of June 2016 World President of the Royal Institution of Chartered Surveyors (RICS): "The many challenges confronting the real estate industry can best be tackled jointly at both the theoretical and practical levels." And he continued: "The discussion on 'Best Practice' at this ERES Annual Conference has provided the ideal framework, and a very inspiring one at that".

To expect is the same with the next ERES Annual Conference, taking place from June 28 to July 1, 2017 at Delft University of Technology in the Netherlands. But before there are two Industry Seminars – one in October 2016 in Madrid, the other in March 2017 in Berlin.

On October 14, 2016 in Madrid the topic is "The Spanish Commercial Real Estate Market Post-Crisis: New Institutions – New Opportunities". Venue will be the headquarters of Analistas Financieros Internacionales AFI. Furthermore there is an Education Seminar in the English city of Nottingham on offer. On Friday, December 9, 2016 and Saturday, December 10, 2016 in Nottingham Trent University it will be about "Real Estate Investment: Theory and Practice". Both locations, Madrid and Nottingham, have currently a special attractiveness: Spain is back again on international investor's radar, and with the vote for Brexit UK has decided to leave the EU. Therefore travelling to both events might offer first hand impressions. Anyway, there are interesting lectures and discussions to expect. For further information please go to www.eres.org | **Andreas Schiller**

LONG AND SUCCESSFUL TRACK RECORD



In the early 1970s the opening of the first modern shopping centres in Germany caused sensation.

It might be a subjective impression that currently company anniversaries are massing. To note is the fact that many of these celebrating and celebrated companies are closely linked with a certain name or family. But there are also exceptions proving the rule.

To be able to look back to a company history of 50 or 'only' 20 and 25 years demonstrates some power of endurance in the fast moving times we live in. How many companies have been founded during the last decades and already vanished or merged into others? And how many once well-known names have meanwhile become nearly unknown?

To start with two of the most 'ancient' companies: Last year ECE and Union Investment Real Estate celebrated their 50th anniversary. May be, it is only by accident that both, ECE and Union Investment Real Estate, are headquartered in Hamburg, in a city with a long merchants tradition.

ECE has been founded in 1965 by Werner Otto. The mail-order pioneer in Germany was fed up with the trouble nearly all his construction projects were connected with. Thus, he made a virtue of necessity and founded his own real estate company. Soon ECE started to design centres along the lines of the American models, but tailor-made for the German market. ECE's first own development,

Franken-Center in Nuremberg, opened on October 23, 1969 and was followed soon by Alstertal-Einkaufszentrum in Hamburg (1970), and Hessen-Center in Frankfurt/Main (1971).

But the company did not restrain itself to shopping centres only. Since the 70s ECE is also developing office and logistics properties. With the fall of the Iron Curtain and the reunification of Germany the company expanded first into Berlin and eastern Germany, later on it started its internationalisation and went to Central and Eastern Europe, mainly to Poland, Hungary, and the Czech Republic. In 2000, Alexander Otto, son of the company founder Werner Otto, has taken over the



At the time when the first co-op Immobilienfonds was launched the third generation entered Aengevelt Immobilien.

chair of ECE management board. Today the company is operating 196 shopping centres in 14 countries. Since more than 8 years ECE does not only operate its own developed shopping centres, but it also takes over the management of shopping centres of foreign investors and other developers.

In the same year, when Werner Otto founded ECE, an investment company established in Hamburg under the name 'Co op Immobilienfonds Verwaltung AG' that one year later, in 1966 launched its first retail fund, 'co op Immobilienfonds', since 1980 known as DIFA-Fonds Nr. 1 (today Unilmmo:Deutschland), after the company was renamed in Deutsche Immobilien Fonds AG and later on in short DIFA. When established in the 60s, open real estate funds as an investment vehicle were rather uncommon – there was nearly a handful of them in Germany. Only after an amendment to the German Investment Companies Act (KAGG) made open-ended real estate funds subject to investment legislation, the number of open-ended real estate funds in Germany started to increase.

In 1984 total assets of DIFA-Fonds Nr. 1 exceeded DM 1 billion, and one year later DIFA launched a second retail fund, DIFA-Grund (today: Unilmmo:Europa). In 1989 followed the inception of DIFA-Fonds Nr. 3, a special fund for church pension schemes. The Financial Market Development Act from 1990 involved

changes to key sections of Investment Companies Act. The most important change for open-ended real estate funds, which were previously restricted to investing in the Federal Republic of Germany, was the extension of investment opportunities to other European Community member states, a change that boosted the fund industry again. In 1998 the DIFA funds' real estate assets amount to more than DM 15 billion. In 2003 the combined assets of both retail funds exceeded EUR 15 billion. And in 2004 DIFA started a third and worldwide investing retail fund, DIFA-Global (heute Unilmmo:Global).

In 2007 DIFA changed again its name and became Union Investment Real Estate. At this point the investment company has already experienced the first crisis of retail funds. In 2008 the financial crisis caused trouble again for many open-ended funds, but Union Investment Real Estate got out of it nearly unharmed. Today Union Investment Real Estate has assets under management of EUR 28.5 billion in 10 real estate funds – three retail funds, two institutional funds and five special funds. And the company has holdings in 24 countries and is active not only across Europe, but also in the US, Latin America, Asia and Australia.

Compared to the two 'big players' mentioned before, a consultant company from Düsseldorf might seem rather unspectacular, but Aengevelt Immobilien has a still longer company history: Aengevelt Immobilien has been founded already in

1910 by the grandfather of the two current Managing Partners. And meanwhile the two grandsons Lutz and Wulff Aengevelt are 50 and 45 years respectively in the family business – the elder one started in 1965, the younger one in 1969. Owner-managed companies have become seldom and a broker and consultancy, operating not only locally or regionally and sustain its position against big international consultant companies is more the exception than the rule. However, there is to add that the Aengevelt brothers did never rest on their laurels but were always a bit ahead of many others, whether it was the development of the first indices for rental and purchase prices in real estate or the establishment of networks with other companies like Deutsche Immobilien Partner DIP (German Property Partners) or promoting qualified educations and professional training and supporting respective institutions also financially.

A forth company, Taurus Investment Holdings, is celebrating its 40th anniversary this year. The foundations for the company have been laid first in Munich, but soon Günther Reibling moved to the US, or more exactly: to Florida, where he settled down and founded a subsidiary that in the course of time has become the 'mother company' and is today headquartered in Boston, Massachusetts. Günther Reibling brought on board as an equal partner his brother Lorenz Reibling and in 1996 Peter Merrigan joined the Reibling brothers as third partner and CEO.



Two brothers established Taurus Investment Holdings: Günther und Lorenz Reibling

Taurus Investment Holdings is a private equity company with the main focus on value-add real estate investments. It is investing jointly with international, mainly private investors – high net worth individuals and institutional investors – and offers its clients international investment opportunities by individually structured Club Deals. Nearly 200 of these Club Deals the company has already realised and since its foundation Taurus Investment Holdings has purchased and sold more than 2.3 million square meters of residential, office, industrial, retail and other commercial real estate assets throughout the world with a total acquisition value of over USD 3.5 billion. At the beginning concentrated on the US market, Taurus Investment Holding has also become more international since the millennium. First the way let back to the company's origins, to Germany, later on it expanded into Turkey, Argentina, UK and India.

The start in the USA was all but easy for the two start-up entrepreneurs from Germany. In their home country real estate industry was more or less a local, at best a regional business, developments were realised mainly for own needs and the sphere of interest was limited to the respective city the developing company was based. Perhaps the one and the other also 'expanded' into the surroundings, but not into other regions, much less into other countries. Some already

regarded property as an investment, but who acquired real estate for investment reasons kept it in the portfolio at least for long term. Real estate as a 'tradeable' asset was less common.

Furthermore, those who were in the real estate business did not have always the best reputation. A specific professional training for those involved in the real estate business did not exist – neither for brokers nor developers, nor those investing in real estate.

In this respect the US were already far ahead. Since the beginnings of the 60s Real Estate Investment Trusts REITs were known as investment vehicles, Corporate Real Estate Management CREM was already something as a matter of course, and consultancies and service companies specialised in commercial real estate and acting supra-regionally and internationally were established since decades and tried to gain ground also in Germany. Actually it lasted until the fall of the Iron Curtain before (not only) in Germany the real estate business moved on and started to grow into its today's role.

The first step was, that in 1990 in France a first international property fair, Mipim, was established and the German daily *Frankfurter Allgemeine Zeitung* established a special rubric 'real estate' in the Friday issue. "Before there were no topics

to write about and to fill the page every week", Jens Friedemann, first editor of the rubric remembers. One year later, in 1991, the first real estate magazine, *Immobilien Manager*, was launched – other publications followed. And since 1998 also Germany has its International Fair for Property and Investment, Expo Real taking place in October in Munich.

Also in 1990 Karl-Werner Schulte founded ebs Immobilienakademie and took the endowed Chair for real estate economy. It was the first (post-graduate) training specialised in real estate and meeting the requirements of real estate professionals. In 1993 gif Society of Property Researchers, Germany was founded, an association with the aim to promote property research and to link academic theory with practical experience. Today many universities and universities of applied sciences are offering specialised trainings for those who want to become active in the real estate industry.

Professionalizing of the industry was the key word in these times, and today nearly nobody makes his career in the real estate industry without proving that he has had a respective education and training. The 90s were also the times when real estate companies started to specialise, when the number of closed-end funds started to increase rapidly, and when non-property companies learned to see their properties as operational resources or fixed capital to accomplish core business goals. And at the millennium started a push to globalisation also in the real estate industry that did not only led from Germany into the world, but also internationals from all over the world to Germany.

So in the last decades not only the world has changed fundamentally, but the real estate industry as well. To adapt to the increasingly quicker changes in the business environment and to remain successful is a performance not everybody succeeded to effect. Therefore the named and other companies having such a long track record can only be hold in high respect. **I Marianne Schulze**

FOR YOUR PLANNING

When	What about	Where	For information and registration
25.–27. September 2016	12th Conference of European Regions and Cities: Sustainability in Regions and Cities of Europe	Salzburg Congress, Averspergstraße 6, Salzburg, Austria	www.institut-ire.eu
4.–6. October 2016	Expo Real 19th International Trade Fair for Property and Investment	Messe München, Munich, Germany	www.exporeal.net
16.–18. November 2016	MAPIC 2016	Palais des Festivals, Cannes, France	www.mapic.com
23.–25. November 2016	Re.comm Rethinking the Real Estate Business	K3 Kitzkongress, Kitzbühel, Austria	www.recomm.eu
14.–17. March 2017	MIPIM 2017	Palais des Festivals, Cannes, France	www.mipim.com

WE ALL ARE EUROPE!



*Dr. Joachim Fritz,
Secretary General,
IRE Institute of the Regions of Europe,
Salzburg, Austria*

When I joined IRE Institute of the Regions of Europe in Salzburg meanwhile 11 years ago, the European Union occupied itself with the enlargement by Croatia. At this time everybody was in a state of EU-phoria. At IRE we had many projects and activities in Croatia, and a positive sentiment was to notice everywhere in the West-

ern Balkans, mainly in Croatia, of course, but also in the neighbouring countries.

By our network we try to give people in the European regions and municipalities an understanding of EU policies. "Europe begins at home" was the motto of Austria's EU Council Presidency in the year 2006. And this fact did not change despite Brexit, refugee crisis and economic troubles. Europe is growing together along the borders, and people get an understanding of each other only by personal contacts. Brochures, online databases or live streams do not really help and are not as convincing as personal meetings.

The main aim of IRE is to create a platform for municipalities, regions and enterprises from all over Europe in order to point out the increasing importance of regions and municipalities in European politics and in economic development. With its activities and initiatives, IRE supports decentralization and regionalization and brings people together. At the start in 2004, IRE had five partners, today it is cooperating with 130 partners – regions, municipalities, cities and towns – from 23 European countries. The motto is "unity in diversity". The interest of regions and municipalities in cross-border cooperation is still

rather strong. We realise that mainly in the Western Balkans. In April this year in Sarajevo we got a very close experience of how present the issue coming to terms with the past is in people's mind and heart in Bosnia and Herzegovina. To commit ourselves and to inform local and regional decision makers of and mainly to sensitise them for European topics is one of IRE's tasks.

More than ever people are longing for identity, and identity is to find mostly in the direct living environment. Why did we stop to speak about a Europe we all have in common? Where has been left the idea of a "European way of life"? I am convinced that the concept of a 'Europe of Regions' will remain also in the future and will be accepted by people in the regions. If we are able to convince people in the regions of the advantages and benefits of cross-border cooperation, then generally EU's popularity will increase again.

Furthermore I am certain that Europe is more than a concept for peace and an economic community: Europe is also something emotional. And not to forget: We all living on this continent are part of Europe. Therefore I want to invite each European citizen to take part in and to participate in creating Europe.

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T: +49 22 02 989 10 80

E: office@schillerpublishing.de

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