

# SPH newsletter

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## DEAR READERS!



With this issue we are celebrating a little jubilee. SPH Newsletter is published for the 50th time. Since spring 2011 Marianne Schulze as editor, Silvia Hogl as graphic designer and I are presenting news from CEE/SEE and Russia/CIS as well as articles about real estate and investments topics, about cities, regions and countries. SPH Newsletter is issued in a German and English version, eight times per year.

A jubilee is a good occasion to say thanks. First of all to our constant readers. Since the start we have only a small number of unsubscribing, the number of interested people asking us for sending the newsletter regularly is much higher. Furthermore we want to thank our guest writers from the industry and those who satisfy our requests for statements quickly and professionally. The biggest thanks, however, is to all those who are advertising in SPH Newsletter. Because they are enabling the issue. Advertisements are not only securing attention, but are also financing the expenses for the newsletter that is free of charge.

Expenses include travelling and research. The articles in this 50th issue exemplify it. The review of Mipim follow impressions from Romania: from the conference "Cities of Tomorrow" in Bucharest and from the city of Brasov. Either big fairs like Mipim and Expo Real or smaller, more specialised events – every time we pick up topics to report about and inform you. My wish for the jubilee: please continue to be well-disposed to SPH Newsletter.

Yours,

Andreas Schiller



*Skanska Property Poland developed Maraton office building in Poznań which was completed end of 2016. Now the building has been sold to Union Investment.*

## UNION INVESTMENT ACQUIRES MARATON IN POZNAN

Union Investment has acquired the Maraton office building in Poznań for EUR 62 million for its open-ended retail real estate fund Unilmmo: Deutschland. Developer Skanska Property Poland has sold the building. This is the second sales transaction between Skanska and Union Investment in regional markets in the country following the sale of the Dominikanski office complex in Wrocław. Maraton is offering some 26,000 square metres of rental space and is located in the central business district. During the sales process, Union Investment was advised by Colliers International, and Knight Frank acted as the exclusive agent for Skanska. Legal advisers for the transaction were Hogan Lovells for the purchaser and Dentons for the seller.

## CPI PROPERTY: ACQUISITION OF A RETAIL PORTFOLIO COMPLETED

Subsidiaries of CPI Property Group have acquired the retail portfolio of 11 shopping centres located in the Czech Republic, Hungary, Poland and Romania with a total leasable area of approximately 265,000 square metres from two funds managed by CBRE Global Investors – from the Property Fund Central Europe (PFCE) and Property Fund Central Eastern Europe (PFCEE). The portfolio has been sold for the value of approximately EUR 650 million. It consists of shopping centres Olympia Plzeň and Nisa Liberec in the Czech Republic, Ogródy in Poland, Polus and Campona in Hungary and Felicia in Romania; of multifunctional complexes Zlatý Anděl in Prague and Andrásy Complex in Budapest; and of two Interspar stores in Hungary.

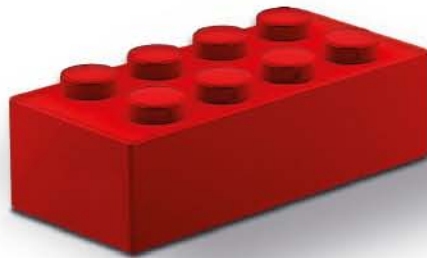
The bank financing has been arranged through several loans at a total of EUR 440 million, with CPI Property Group providing the remaining amount from its own funds. In the Czech Republic, financing has been provided by a bank syndicate composed of Helaba and CSOB; in Poland, solely provided by Helaba; in Hungary by UniCredit Bank, Raiffeisenbank and Sberbank; and in Romania by HypoNoeBank. CSOB was also covering the whole transaction as the escrow agent.

## PRADERA BUYS IKEA ASSETS

Pradera announced the first closing of the Pradera European Retail Parks, a Luxembourg fund. In a EUR 900 million transaction agreed with Ikea Centres, the fund has signed a contract to acquire 25 prime retail parks next to Ikea stores in eight European countries. Pradera was able to complete the deal with equity investment from UJ Partnership, the private wealth partnership, which took a significant minority stake in the business in May 2016.

The portfolio of retail parks situated next to Ikea stores comprises around 500 units with a gross leasing area of around 538,000 square metres. Completion on 17 assets located in Germany, France and Poland is expected in April 2017, with a further eight retail parks in Sweden, Finland, Denmark, the Czech Republic and Switzerland due to complete in August. In the transaction JLL acted for Pradera, while Cushman & Wakefield was active for Ikea Centres.

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we finance properties for people to work and live –  
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*The selling of Olympia Shopping Centre in Brno in Czech Republic to Deutsche Euroshop followed an open market process which attracted bids from a range of international investors.*

## DEUTSCHE EUROSHOP ACQUIRES OLYMPIA SHOPPING CENTRE IN BRNO

ECE Real Estate Partners and Rockspring Property Investment Managers LLP have exchanged contracts for the sale of the Olympia shopping centre, in the Czech city of Brno, to Deutsche EuroShop for a total consideration of the property of EUR 374 million. The transaction follows an open market process which attracted bids from a range of international investors.

Olympia shopping centre comprises around 85,000 square metres of leasable area. Rockspring, acting on behalf of a separate account mandate, and ECE Real Estate Partners, acting on behalf of the ECE European Prime Shopping Centre Fund, acquired the asset in 2011 in a 50:50 joint venture. ECE Projektmanagement has managed the shopping centre since then and will remain responsible for the management and leasing after the sale to Deutsche Euroshop.

## CA IMMO SELLS ITS STAKE IN AERO-ZONE LOGISTICS PARK IN BUDAPEST

With the sale of its 51-per cent holding in the Aerozone logistics park in Budapest, CA Immo has completed the strategic withdrawal from the logistics segment that began in 2012. Over the past few years, almost 500,000 square metres of logistical space in total has been sold in Poland, Romania, Hungary and Germany. CA Immo held a 51-per cent stake in the recently sold Aerozone logistics park in Budapest, which spans approximately 65,000 square metres, through a joint venture with Union Investment Real Estate. The buyer of the logistics property was M7 CEREF I, an M7 managed fund. The parties have agreed not to disclose the purchase price. Law firm CHSH advised the seller in the sale of the Aerozone logistics park.

With the acquisition of 49-per cent minority holdings in one office building in Prague and another in Budapest (finalised in January 2016), the Aerozone logistics park in Budapest became the last remaining property in the C1 portfolio held with joint venture partner Union Investment. The joint venture launched in 2005 was disbanded with the closing of this transaction.

## CTP BREAKS GROUND ON FIRST POLISH CTPARK

In CTPark Opole, CTP started with the construction of a new warehouse with total area of 13,000 square metres. With additional land available, this park has a planned built-up area of nearly 71,000 square metres. In the end of 2016, CTP signed the first lease contract for CTPark Opole with International Automotive Components (IAC Group).

CTPark Opole is located in the North West part of the city with direct access to the northern ring road connecting Opole with the A4 highway, linking it with Central Poland. The park is located in the middle of Special Economic Zone of Opole.



*Seller of the historical office building Na příkope 33 in the city centre of Prague is the Czech Komerční banka. The bank will continue to occupy the building.*

## COMMERZ REAL ACQUIRES OFFICE BUILDING IN PRAGUE

Commerz Real, a subsidiary of Commerzbank, has purchased a historical office building, Na příkope 33, in the centre of Prague for its open-ended real estate fund HausInvest. The seller is Komerční banka, a subsidiary of Société Générale. The transaction price has not been disclosed.

Na příkope 33, built in 1929, comprises 22,000 square metres of leasable space, all of which is occupied by a branch of Komerční banka. The bank will stay on the premises until its lease expires in two years, afterwards the lease can be extended by 10 years.

## INVESCO REAL ESTATE BUYS SHERATON GRAND HOTEL KRAKOW

Invesco Real Estate announced that it has acquired the 232-room Sheraton Grand Hotel Krakow for EUR 70 million on behalf of one of its UK pension fund separate account clients. The seller is Algonquin, who will continue to operate the property. CMS advised Invesco during the transaction process, while the seller was assisted by DZP. The property is located on Powisle street, close to the Wawel citadel, and was recently branded a Sheraton Grand hotel.

## OCTAVA FIZAN ACQUIRES BPH FIZ PORTFOLIO

Octava FIZAN is taking over two Luxembourg and 29 Polish entities that are directly or indirectly owned by the BPH FIZ Sektora Nieruchomosci and BPH FIZ Sektora Nieruchomosci 2 funds, which are currently in liquidation. The portfolio of acquired properties includes eleven office and retail buildings, including Centrum Krakowska 61 in Warsaw, the Renaissance Tower office building in Warsaw's Wola district, the Eureka Park office park in the city's Mokotów district and the Onyx office building in Kraków. The parties have not disclosed the value of assets acquired. Savills advised Octava FIZAN investment fund in the transaction.

## GTC LAYS CORNERSTONE FOR ADA MALL IN BELGRADE

After having received the final building permit for Ada Mall in mid-February 2017 GTC has laid the cornerstone for its retail investment in Belgrade. The plot for the retail project stretches along Radnicka Street, opposite the popular Ada Ciganlija recreational zone. Ada Mall will have approximately 34,000 square metres of gross lettable area with 1,000 designated parking places. The opening of the mall is scheduled for autumn 2018.





# VERONA'S NEW ARENA IS FOR SHOPPING

Adigeo in Verona makes a grand entrance: The new center in Italy successfully opened its doors in late March. Adigeo accommodates more than 130 shops on a leasable area of approx. 47,000 m<sup>2</sup>. It features an exciting mix of Italian and international retailers as well as high-quality dining options. Adigeo is 100% occupied, all rental areas were leased long before the grand opening. [www.ece.com](http://www.ece.com)





*Business Park Sofia was the first business park developed in the Bulgarian capital city. The new office project, Building 15, is expected to be completed at the end of 2018.*

## ARCO EXPANDS BUSINESS PARK SOFIA

Arco Real Property Holdings, a joint venture between Arco Capital and Deutsche Asset Management's DB Private Equity & Private Markets group, has decided to develop and construct a new office building in Business Park Sofia (BPS). The investment volume for this new building will be around EUR 30 million. Construction of the building, to be known as Building 15, has commenced and is expected to be completed at the end of 2018. Building 15 will offer a total of 20,800 square metres of leasable space, with five levels designed for office use, retail units on the ground floor, and two underground parking levels with a total of 260 parking spaces.

## IULIUS GROUP TO START NEW DEVELOPMENTS IN TIMISOARA

This spring, Iulius will start the construction works for three office buildings within the Openville Timisoara mixed-use project, located in the vicinity of Iulius Mall. The three buildings to be developed under the United Business Center (UBC) brand add up to a total area of 73,000 square metres and shall be ready to use within a 12 to 18 months' term. Per total, the Openville Timisoara project will include seven office buildings with a gross area adding up to over 130,000 square metres. Of these, 18,000 square metres have already been delivered, while another 13,000 square metres shall be completed this June.

Also this year, Iulius Mall Timisoara will undergo expansion works for an additional 60,000 square metres of retail premises, thus adding up to a gross leasable area of 131,000 square metres.

## ORBIS TO SELL TWO POLISH HOTELS

Orbis has concluded with an individual investor a preliminary sale agreement for "Mercure Jelenia Góra" hotel in Jelenia Góra and "Mercure Karpacz Resort" hotel in Karpacz for a total net price of PLN 26.5 million (approximately EUR 6.1 million). Orbis also informs that after finalization of the sale, the hotels shall continue to operate under the Mercure brand.

## SKANSKA TO START NEW PRAGUE DEVELOPMENT

Skanska Property Czech Republic has expanded its portfolio of commercial real estate in February, completing the acquisition of a Karlín property which used to house the Praga car repair shop in the past. Skanska is planning to replace it with an office building, Praga Studios, linking it seamlessly to its adjacent Corso Court project. Skanska acquired the property from the M2 Real Estate Group. The new office building will have a total floor area of nearly 12,000 square metres on seven floors.





*Galeria Młociny in Warsaw's district Bielany is currently under construction and shall be completed in the second quarter of 2019.*

## EPP AND ECHO INVESTMENT PURCHASE GALERIA MŁOCINY

Echo Polska Properties NV (EPP) and Echo Investment acquire Galeria Młociny in Warsaw from Rosehill Investments. The companies will pay nearly EUR 42 million (including the liabilities of the company being the subject of the transaction) for the project which is already under construction. EPP and Echo Investment will hold 70 per cent and 30 per cent shares in the new project respectively.

Galeria Młociny is a 81,900 square metres mixed-use development, of which 71,000 square metres is retail, restaurant and entertainment space. The facility is located near the main public transport hub in northern Warsaw. Construction of the first phase commenced in October 2016, and is on track for completion in Q2 2019.

## GALCAP EUROPE ACQUIRES OFFICE BUILDING IN BUDAPEST

Vienna-based investment manager GalCap Europe has acquired a fully renovated, office building in Budapest. The purchase was made on behalf of a separate account, administrated by Institutional Investment Partners, for a German pension scheme.

The property, Merkur Palota (Merkur Palace), is located in Budapest's VI. district, within walking distance of the Opera House and Andrássy út. It comprises approximately 8,000 square metres of lettable space. The seller is a private investor; both parties agreed not to disclose the purchase price. The purchase of Merkur Palota was brokered by CBRE. Buyer's legal advice was provided by CHSH Dezsö & Partner.

## SOUTH PEST BUSINESS PARK CHANGED HANDS

Diófa Asset Management has acquired South Pest Business Park. The vendor was Wing Zrt.; new owner is Magyar Posta Takarékszövetkezet Property Investment Fund, which is Hungary's second largest domestic open-ended fund. The city logistics scheme is located in the 9th District and totals in 34,400 square metres gross leasing area. The South Pest Business Park was transacted for EUR 29 million.

## REDSTONE IS NEW OWNER OF GALLERIES LOUVRE IN PRAGUE

Spanish investment company Azora Europa has sold Galleries Louvre, an office property in Prague 5, to Czech private equity firm Redstone Real Estate. The mid-sized building, completed in H2 2008, offers approximately 4,800 square metres of office space. The seller was assisted by JLL and CMS Cameron McKenna, while on the buyer's side Squire Patton Boggs and Deloitte have been active.





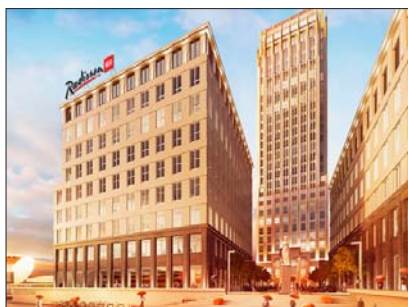
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# **CEE PROPERTY & INVESTMENT FAIR REAL CONNECT 2017**

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*Radisson Red in Krakow will offer 300 rooms and will be the first hotel of the new lifestyle brand in Central and Eastern Europe.*

## RADISSON RED TO OPEN IN KRAKOW

The Rezidor Hotel Group has announced the signing of the first Radisson Red in Central Europe, notably in Krakow. The newly built Radisson Red Krakow is expected to be completed by autumn of 2019 and will feature 230 rooms. The property will be an integral part of the development of the largest high-rise building in Krakow's, Unity Centre, within walking distance to the central train station and Cracow University of Economics. The project is developed by Treimorfa Project, a joint venture entity of Eurozone Equity Company and GD&K Group.

Radisson Red is Carlson Rezidor's new lifestyle select brand. The world's first Radisson Red hotel opened its doors in Brussels in April 2016, a second one in Minneapolis in November 2016. The brand plans to have 60 hotels operating globally by 2020.

## GLOBALWORTH BUYS ROMANIAN WAREHOUSE

Globalworth purchased a logistics project located near Pitesti, Romania, rented by Dacia from Elgan Automotive for EUR 42.5 million. Colliers International advised the seller. The warehouse has a leasable area of 68,000 square metres and a land plot that is suitable for the construction of another 40,000 square metres. Set in Oarja village, 28 kilometres away from Dacia plant in Mioveni and near Bucharest-Pitesti highway, the warehouse was opened in 2010 and provides distribution of spare parts for Dacia, Renault and Nissan in Romania.

## IHG TO OPEN NEW HOLIDAY INN WARSAW WEST STATION

InterContinental Hotels Group (IHG) announced the signing of Holiday Inn Warsaw West Station. The hotel will be developed with franchisee VHM Hotel Management, owned by the Satoria Group SA and investors Capital Park. It will be IHG and VHM's first venture together. The 217-room hotel will be situated next to Warsaw West Station.

## PANATTONI EUROPE'S FIFTH PROJECT FOR AMAZON

Panattoni Europe is developing a fifth logistics centre for Amazon. The new facility featuring 135,000 square metres is being built in Sosnowiec in the region of Upper Silesia. The property will be built on a 21-hectare site near Panattoni Park Sosnowiec I/II. Completion of the project is planned for October 2017.

The investment in Sosnowiec is the fifth project implemented by Panattoni Europe for Amazon in Europe – finished facilities are in operation in Bielany near Wrocław and Sady near Poznań, as well as in the Czech Republic, and another one is under development in Kołbaskowo near Szczecin.



*Corvin 5 is the latest and final part of Corvin Promenade office project and will be located in the eastern closing block of Corvin Quarter in Budapest.*

## FUTUREAL GROUP AND ERSTE BANK SIGN CREDIT AGREEMENT

Futureal Group signed a credit agreement of EUR 45 million with Erste Bank Hungary in order to finance the realization of the Corvin 5 office building. The first phase of the building is expected to be handed over at the end of 2018. Corvin 5 office building will be realized in two phases. The building complex valued at EUR 90 million will be the latest and also the final member of the Corvin Promenade office building project. The 27,000 square metre office complex will be located in the eastern closing block of Corvin Quarter in the immediate vicinity of Skypark, which was finished last year. The first phase of Corvin 5 will offer 14,200 square metres of gross leasing area, while its second phase will have 12,800 square metres of gross leasing area.

## SKANSKA INVESTS IN LAND IN PRAGUE FOR DEVELOPMENT

Skanska has acquired land in Prague from Codeco UK. The total investment amounts to CZK 841 million (about EUR 31,1 million). The plot is a former brownfield situated in the district of Vysocany in Prague. Skanska is planning to develop it into an extensive residential area with good access to the city centre.

## ATENOR SELLS THIRD BUILDING OF VÁCI GREENS IN BUDAPEST

Atenor announced the sale of the third building of its Váci Greens campus in Budapest to the Hungarian real estate fund OTP Prime Ingatlanbefektetési Alap. The building – Váci Greens B – contains 25,300 square metres of office space and 399 parking spaces in the basement. The structure was completed in March 2016. Building C of the complex was sold to ZFP Investments, the Czech subsidiary of IAD Investments at the end of last year, whereas Building A was acquired by a group of private Hungarian investors at the beginning of this year.

Upon completion the Váci Greens campus in Budapest will offer six buildings with a total of 120,000 square metres of office space, three of which have been sold to date and a fourth is currently under construction. This building (Váci Greens D) will be delivered in January 2018.

## CROMWELL COMPLETES INTEGRATION OF VALAD EUROPE

Cromwell Property Group, the Australian Stock Exchange listed real estate investment trust, has completed the rebrand of its European business, Valad Europe. Cromwell has A\$ 9.8 billion (EUR 6.3 billion) of assets under management across Australia, New Zealand and Europe and 30 offices in 15 countries, managing 347 assets.





*Griffin Premium RE has secured the right to purchase Echo Investment's subsidiary which is developing the office building West Link in Wrocław.*

## GRIFFIN PREMIUM RE INVESTS IN ECHO PROJECTS

Echo Investment S.A. and Griffin Premium RE have signed a preliminary agreement. The contract gives Griffin Premium RE the right to purchase Echo Investment's subsidiary which is developing the office building West Link, located in Wrocław. The agreement is conditional and will be finalized no later than on December 31, 2018.

Furthermore, Echo Investment S.A. and Griffin Premium RE have signed an investment agreement that will make Griffin Premium RE to indirectly invest 25 per cent of the capital needed to complete construction and finalize two commercial projects in Warsaw, developed by Echo's subsidiaries: Beethovena – phase I and II, and Browary Warszawskie – phase J. As a result of the investment, Griffin Premium RE will be indirectly entitled to a 25 per cent stake in profits generated by the sale of the aforesaid projects by Echo Investment, and will obtain the right of first offer to acquire them.

## STAFFING



*left: Silvana Petre Badea  
right: Luke Dawson*

**Silvana Petre Badea** has been appointed Managing Director of JLL's Romanian business with effect from 1 March 2017. Silvana Petre Badea joined JLL at the start of 2015 to lead its capital markets business in Romania. For the past two years, JLL's Romanian business has been managed by Andrew Peirson as part of a dual role that included the management of the South Eastern Europe region based out of Belgrade, Serbia. Andrew Peirson will continue to manage the region, with Silvana Petre Badea reporting to him in her new role.

**Luke Dawson** has returned to Colliers International in the role of Managing Director & Head of Capital Markets for Central & Eastern Europe (CEE). Since 2014 Luke Dawson had been leading a private family offices in the Middle East. Prior to that, Luke Dawson was with Colliers for 10 years where he held several senior positions including Head of Operations, CEE, Regional Managing Director, SEE and Director of Corporate Development (global). Luke Dawson will be based in Prague and also be responsible for the regional management of Bulgaria, Czech Republic, Hungary, Romania, and Slovakia.



*left: Ben Maudling  
right: Aldo Mazzocco*

**Ben Maudling** has been appointed Head of Czech Republic & Slovakia at Savills. Ben Maudling joins Savills after four years at Arcona Capital GmbH (formerly Palmer Capital Investments GmbH). As Managing Director and Board Member, he was specifically responsible for the investment and asset management activities of the company within CEE. In 2000 he sold Aston, a real estate business that he had established in Prague, to CBRE, and then went on to head the CEE investment activities of Invesco Real Estate.

**Aldo Mazzocco** has been designated as new CEO and Manager of Generali Real Estate and will join Generali Real Estate Board of Directors by mid of June. Aldo Mazzocco is currently serving as Head of Real Estate at Cassa Depositi e Prestiti, and previously he was Chairman of InvestiRE SGR. Since 2001 to 2015 he was CEO of Beni Stabili SpA SIQ and held key management roles at Beni Stabili Gestioni SGR; between 2010 and 2015, he was Directeur Général Délégué at Foncière des Régions. Since 2011, he is also Chairman of the real estate industry association Assoimmobiliare.



## LETTINGS

### BRNO BUSINESS PARK, BRNO

CZECH REPUBLIC 

Immofinanz, owner of Brno Business Park, leased approximately 7,500 square metres of space in the office complex. Among the leases there are contracts with Notino (4,000 square metres), Digi Czech Republic (1,230 square metres), Novanta (620 square metres) and the operator of the restaurant Jedna básen ("Poem") (640 square metres). The Brno Business Park (BBP) is formed by four office buildings with a total area of approximately 35,000 square metres of office space. It offers 730 parking places, good transport connections to the highways D1 and D2 leading to Bratislava and direct accessibility by public transport (bus/tram).

### EQUATOR II, WARSAW

POLAND 

Medicover extended their lease agreement for the medical centre at the Equator II office building, which belongs to the Austrian developer Karimpol Group. In this facility, located on Aleje Jerozolimskie 96, Medicover currently lease 1,647 square metres and have decided to extend their lease of space in the building for the next 10 years. The agreement between Medicover and Karimpol also includes an increase to the existing lease of more than 290 square metres. Equator II was put into operation in 2011. The building offers 21,300 square metres of office space located upon the 14 above ground floors and parking for over 250 cars on 3 underground floors.

### GALERIA MŁOCINY, WARSAW

POLAND 

Intermarché has signed a lease agreement for 2,610 square metres in Galeria Młociny. Galeria Młociny is a modern retail and entertainment centre currently under construction in the Bielany district of Warsaw and comprises 70,000 square metres of gross leasing area.

### SAGITTARIUS BUSINESS HOUSE, WROCŁAW

POLAND 

EY GDS Poland – a shared service centre of EY – leased an area of 10,500 square metres in the Sagittarius Business House office building which is being developed by Echo Investment. Sagittarius Business House offers a leasable area of 24,000 square metres. The project is located at the junction of Borowska Street and Sucha Street, opposite Aquarius Business House, an office building also being developed by Echo Investment. Sagittarius Business House is under construction and will be completed by the end of 2017.

### WEST LINK, WROCŁAW

POLAND 

Nokia has leased 6,000 square metres in West Link, an office building developed by Echo Investment on Na Ostatnim Groszu Street in Wrocław. West Link is under construction next to West Gate – an office building the anchor tenant of which is Nokia. West Link will have a total area of over 14,000 square metres. There will be a car park offering 266 spaces. The completion of the project is planned for the end of 2017/early 2018.

## PLENTY ON OFFER IN CANNES



*For four days the international property industry dominated not only the Palais des Festivals, but the whole city of Cannes.*

It was the 28th time that from March 14 to 17 in Cannes the international property fair Mipim took place. During these days investment offers, topics and dialogue partners were ten a penny on Côte d'Azur. Furthermore there were also great amounts of capital on search for investment opportunities.

3,150 exhibitors and 24,200 participants from 100 countries came to this year's "Marché International des Professionnels de l'Immobilier", as the organisers Reed Midem announced. The industry was in high spirits, and also inspiring was the weather. Real estate professionals and the sun raced each other by being radiant. Not only developers, investors, fi-

naning institutions, consultants and other real estate professionals take part in Mipim, but as well many cities, regions and countries present themselves as investment locations. That often happens on joint stands where also local and supra-regional real estate companies are exhibiting. These companies contribute financing for the stand thereby often even enabling the presentation of the respective city, region or country.

Since long the Palais des Festivals and the later added exhibition space of Espace Riviera are insufficient to host the spring meeting of the international property industry. Metropolises like London, Paris, Istanbul and Moscow present themselves

in large tents – euphemistically called 'pavilions' – outside the main exhibition buildings. In the harbour directly adjacent to the exhibition area a lot of yachts are berthed with signs announcing their temporary hirer. These signs help to find the property companies, consultants and law firms that are participating in Mipim although they are not always present with a stand. Also away from the Palais there is no chance to escape. Bistros and restaurants, apartments and beachside cafés are leased by participants for the purpose to present themselves and for networking. A lot of events in the hotels along the seafront have to be added. The Croisette and the inner city are overrun by real estate people who have taken over Cannes and





*A look into the future? That was the aim of many Mipim participants.*

its surroundings for four days. There is little chance to meet locals. For example, bars and restaurants in the big hotels are off-limits for them: they can be entered only by showing a Mipim badge.

Since many years there are two perceptions of Mipim. For some the meeting of the property industry in Cannes is confirming every cliché: Côte d'Azur, champagne, lobsters, yachts and if outside sunglasses are the matching accessory to

the suit. However, for most of the participants the fair's advantage is to get a concise market overview enriched by a great variety of conferences and presentations and to meet many other market participants. Expenses are high, that is true, but with proper planning in advance a visit at Mipim can help to save time and money for travelling – given the internationality of the fair also for some overseas tours. As exhibitor you can present yourself and your products to an international

audience. The great variety of projects from all over the world showcased at Mipim was really stunning.

Among the exhibitors from CEE/SEE Poland led the ranking by number of exhibitors. All the big cities and regions were present and experienced great interest. On the second and third place followed Russia and Turkey. Their presence in Cannes was not to miss, but often the interest of international participants was in inverse proportion. Sometimes one could have the impression that the exhibitors preferred to stay among themselves. Of the Russian exhibitors the City of Moscow and the private company Ulmart attracted most of the interest. However, these impressions have to be modified. Because quantity is one thing, more important is the quality of contacts and meetings. For this quality Cannes and Mipim are offering best conditions.

With the plenty on offer it would be foolhardy to focus on a special topic. Nearly no aspect was missing, certain things were not really needed. However, there have been some dominating topics. Not only in many events, nearly in every talk at least one of the two topics, Brexit and Trump, was mentioned. To take it more generally: it was about the uncertainty in politics with the linked economic development and the impact of these external factors on the real estate industry. "Geopolitics is more important to an investor than interest rates", Jeremy Stewardson of ANREV Asian Association for Investors in Non-listed Real Estate Vehicles, put it in a nutshell.

But every coin has two sides. It is exactly this uncertainty why many investors prefer to place money into real estate than in shares or bonds. With property there is at least a – often even proper – real asset present. The amount of capital in search for investment possibilities is huge. According to JLL in 2016 USD 661 billion have been invested worldwide in real estate. Transaction volume in Europe was USD 285 billion. And for the current year experts are forecasting similar results. Fol-



*If forward purchases like the Zalando headquarters (left) or the Mipim Award for Warsaw Spire (right) – topics were a lot at Mipim.*

lowing the most recent studies of Cushman & Wakefield then USD 435 billion of new capital is available for investments in the global real estate markets. That means, there is enough money in the market.

But an approach according to the motto 'capital in search of a deal' might include pitfalls. Andreas Pohl, Chairman of the Board of Deutsche Hypo, gives some cause of concern from the side of financing institutions: "Since some time there are investment in assets and locations where from our point of view it would be better to be cautious. Liquidity without abundant expertise is a bad combination and the conviction 'everything is tradeable' is not without risks. Therefore investors and financing institutions should concentrate on sustainable quality of the assets."

But what are investors interested in and in which locations? Those investors that are searched by cities and regions and the developers active there? Office and retail continue to be in demand, but institutional investors are increasingly active in the market of residential property and prefer to invest in the respective portfolios. To reduce risks also mixed-use property or complete quarters are winning investor's favour. As differentiated to consider the topic of investment strategies is – they range from a regional focus and 'mar-

kets we are familiar with' to international diversification –, as more it is obvious that investors are meanwhile stepping in transactions at an early stage of project development. About these 'forward purchase agreements' there were much more talks than some years ago. For example, only a few days after the fair UBM Development, headquartered in Vienna and also one of Mipim's exhibitors, announced the sale of the new Zalando headquarters in Berlin that is currently under construction and planned for completion in the third quarter of 2018. For EUR 196 million the project has been sold to Capstone Asset Management from South Korea. In the transaction L'Etoile Properties acted on behalf of Capstone. Founded in 2009 in South Korea, Capstone is an asset manager with assets under management of EUR 1.3 billion. The international property service provider L'Etoile Properties currently manages assets of EUR 5.5 billion in its European core markets. "The sale one and a half year before completion and for almost EUR 200 million proves that UBM is playing in a new league", said Michael Wurzinger, COO of UBM Development AG.

By many international investors Germany is still deemed to be a 'safe haven' and therefore an attractive investment location. That does not change by low yields

and sometimes very high prices. However, what has changed is the way to identify investment opportunities. While office and retail property in prime locations in prime cities are still attracting, the so-called ABBA strategy is gaining importance given the small offer of investment opportunities: ABBA means A (prime) location in B (secondary) cities or B (secondary) location in A (prime) cities.

Talking about Mipim there is also to mention the Mipim Awards. Meanwhile there are 11 categories plus the Special Jury Award. It is already a great success to belong to the total of 44 finalists. That already ensures attention. The crown, however, is winning a Mipim Award. Of this year's four finalists from Central and Eastern Europe – projects from Czech Republic, Hungary, Poland and Russia – the winner was Warsaw Spire in Poland. In the category "Best Office & Business Development" the high-rise building in Warsaw's city centre has been chosen by Mipim participants and outperformed projects from London, Rome and Shenzhen in China. With 220 metres height Warsaw Spire is not only the tallest office building in CEE, but has now also received the highest and most prestigious award worldwide of the real estate community. Congratulations to Warsaw Spire's developer Ghelamco! | **Andreas Schiller**

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## DRIVERS OF THE DEVELOPMENT IN ROMANIA'S CITIES



*The second panel discussion was about the benefits for cities the nomination as European Capital of Culture is entailing.*

**Four years ago the German Chamber of Commerce in Romania launched the annual conference "Cities of Tomorrow". Meanwhile the event is established and is attracting more and more participants.**

About 300 participants had registered for the 5th conference "Cities of Tomorrow" in Bucharest. It was a new record as well as the fact the majority of participants stayed during the whole conference, in Romania more the exception than the rule. The need for information and exchange is strong because Romania is at a turning point, as Dr. Dragos Anastasiu, President of the German Chamber of Commerce in Romania, summarised the current situation.

With other words, but similar the German Ambassador in Romania, Cord Meier-Klodt, put it: He compared Romania with a teenager, an age of change when the future personality will become more and more apparent. The example fits, because the evils of the past – communism, dictatorship, incompetence, nepotism and corruption – are causing more and more opposition mainly by the younger and well-educated generations. To characterise Romania in only some words, the German Ambassador created the slogan "Hightech in the mountains". Unfortunately, he continued, the image is lagging behind reality – a complaint everybody can agree with when visiting the country. Then soon it becomes obvious that the country's image especially in

the Western world, is often a complete misinterpretation.

It is mainly the cities that are responsible for the image of a country, and in Romania the development of cities is clearly gaining momentum. A visible proof is the strong construction activity and the many cranes rising into the heaven. But development has to be managed and controlled. The example of Leipzig shows how a city can be developed successfully and made fit for the future.

After the fall of the Iron Curtain in Europe the situation in Leipzig was similar and not much better than in many Romanian cities. The industry has broken down, jobs were lost, infrastructure was decay-

ing and insufficient, buildings in a bad state and who ever had the possibility left the city to go to the West, so population was shrinking significantly. Today, however, Leipzig is a city of high living quality, with influx of population, with a vibrant city centre and with increasing rents and property prices.

Leipzig's Deputy Mayor responsible for Urban Development and Construction, Dorothee Dubrau, pointed out: "Quality is most important." Therefore the municipality has to take a determining role in the planning and development process and has to include the inhabitants in the process even though there is sometimes opposition against certain decisions. Such a highly controversial decision is to concentrate retail mainly in the city centre, so that in other parts of the city only smaller projects for local supply can get a permit.

Professor Peter Zlonicky, Architect and Urban Planner, demonstrated that also Germany is not a land of milk and honey – a wide-spread idea in Romania –, that German cities are struggling with severe social problems like the widening gap between the rich and the poor, the lack of affordable housing or the worsening of education in general and educational facilities in especially.

The following panel discussion was about "Competitive Romania" and started with an overview of the real estate market. Like in Poland there are increasingly emerging office markets outside the capital city. Furthermore in Bucharest the northern part of the city is no longer the only office location, meanwhile also in the western and southern parts office clusters are developing. Caused by the brain drain more often the question of the attractiveness of workplaces is emerging, mainly within the IT sector.

Attractive should be also the general environment – the respective city. That includes shopping and leisure possibilities, but as well traffic infrastructure and residential offers. Mainly in the area of infrastructure there is still great need for

refurbishment and improvement. The current development boom the country with the highest economic growth rates within the EU is experiencing can help to solve the problems, but as Dan Pascariu, Independent Non-Executive Chairman of NEPI and Chairman of the Super-



*Delia Ungur, General Manager of Oradea Local Development Agency, informed about the development of her city.*

visory Board at Unicredit Bank Romania, warned: the next bust will come although nobody knows when. For Romanian cities it is important to compete in regard of tourists and labour force not only with each other but internationally. So it is necessary to have a detailed SWOT analysis before working out a strategy for the economic and social development of the city. He definitely required a long-term and holistic approach, in other words: an active instead of a reacting role of the municipalities.

It were two of about 20 Romanian cities with more of 100,000 inhabitants that explained their strategy and put it up for discussion: Brasov and Oradea.

For Brasov Imelda Tóásó, Vice President of County Council Brasov, presented the strategy plan developed together with

business people in the city and county. First priority is given the improvement of traffic infrastructure – an airport is planned, also a motorway to both sides, to the west and to Bucharest. Further key points are health care – mainly the modernisation of hospitals – and utilities. Among the latter water supply is the most important, not because Brasov is suffering from lack of water, but the system of water supply has to be refurbished and modernised. (More about Brasov see article on page 21).

Really inspiring Delia Ungur, General Manager of Oradea Local Development Agency, presented the efforts to develop Oradea during the last ten years. In 2008 Oradea was the least developed city in Romania. Since the end of the communist era not very much had improved, quite the contrary: unemployment has risen dramatically.

The first step was the renewal of infrastructure: streets have been restored, new ones constructed, power supply was stabilised and strengthened. Also among the first steps was the improvement of social infrastructure, mainly schools and hospitals. And there have been taken many efforts to increase quality of life in the city. By all these measures Oradea became also attractive for investors. To help them to build up a business, the city facilitated the administrative process, so today it needs only six months from the building permit to the start of the operation. Meanwhile Oradea is struggling with a lack of labour force. And again the city is already active to achieve a relieve of the problem: by investments in residential development, in traffic infrastructure and in education and training. "We need well-educated people not only in the private business, but as well in the public institutions", Delia Ungur emphasised.

The same drive, Oradea shows, was in Sibiu caused by the nomination of European Capital of Culture for 2007. This award has been and is still an important factor for city development. So the second panel discussion gathered rep-



*Networking and talks were also an important part of the conference.*

representatives of three European Capitals of Culture in CEE/SEE – Sibiu and Timisoara in Romania and Wrocław in Poland – talking about their experiences and expectations.

Astrid Fodor, Mayor of Sibiu, emphasised that a decisive criterion is the motivation of the city and its inhabitants for a long-term and sustainable success in the development. Development is not only limited to the year when a city is European Capital of Culture, it has to continue. However, there are no general recipes for preparing and executing the extraordinary year, she stated.

In Sibiu the nomination as European Capital of Culture caused a construction boom, starting in the inner city. Streets have been renewed and buildings renovated, but as well the 'cultural infrastructure' of the city has been improved and enlarged. The development triggered by the nomination did not finish with the end of the year 2007. It was a long-term strategy and the city continued to realise it step by step adapting it again and again to the changing requirements.

Very clearly Astrid Fodor named the benefits of being European Capital of Cul-

ture: an increase in visibility, also for investors coming to the city even in 2008, the year of the global financing crisis, with the result that today unemployment is at only one per cent. Also tourism increased significantly: In 2007 Sibiu registered about 200,000 official tourist, in 2014 the figure has doubled and by this also the tourist infrastructure in the city has further developed. To preserve the drive in development Sibiu has applied for European Region of Gastronomy and was awarded with this title for 2019.

That culture does not only mean 'arts', but includes as well gastronomy and leisure, confirmed Krzysztof Maj, General Director European Capital of Culture 2016 from Wrocław. He, too, took the event as a marketing tool for his city, to gain interest from tourists and investors as well. But he also mentioned another benefit: to reconstruct social cohesion within the city. "People that in former times did not even greet are now talking to each other."

Timisoara is nominated European Capital of Culture for the year 2021, together with Novi Sad in Serbia. It is the first time that two cities of a greater region and with strong historic links are nominated together. Timisoara has chosen the slo-

gan: 'Shine your light – light up your city'. "Of course, we take Sibiu as a model", Vice Mayor of Timisoara Dan Diaconu conceded. As goals he listed up: redevelopment of the city, increased recovery of culture, tourism promotion – the number of tourists in the city should increase from currently 400,000 to 2.7 million –, international interest in the city, and creating a better image, because Timisoara is known as an industrial and IT city, less as a cultural destination. Besides all these goals it is mainly the desire to become more attractive for people who want to work and live in Timisoara because the lack of labour force is a real issue here as in nearly all other Romanian cities.

The question arose why a city being European Capital of Culture is increasing its attractiveness for investors. It was Christoph Salzer, Regional Director France, Germany and Romania of Warimpex in Vienna, who put it in a nutshell: "A city that is able to realise such a project successfully, must have decisive representatives and has to be transparent – qualities investors are exactly in need of."

The last point on the programme of "Cities of Tomorrow" was the award ceremony for the best solutions found by eight workshops taking place in the afternoon. The topics were "Energy efficiency & energy management", "Financing & EU funds", "City Governance/Digitalization/City Information Platform", "Mobility", "Utilities", "Tourism & Lifestyle city", "Reconversion & revitalisation of industrial sites" and "Planning legislation". All participants of the conference could vote and had chosen the 'tourism group' as the winner. Still more impressing, however, was the award for the best question or comment from the audience – a weekend for two persons in the Resort Green Village Sf. Gheorghe in the Danube delta: The winner was Ramona Grozovescu of Immochan Imobiliare, who has asked Dan Pascariu from NEPI about the benefit of their investments for the community – besides new jobs. It was a question that should be asked more often and not only in Romania. | **Marianne Schulze**



## BRASOV – A CITY WITH TWO VERY DIFFERENT FACES



*In the centre of the old town of the Transylvanian city of Brasov the market place and the former town hall are located.*

**This headline came immediately to my mind when looking from the hill of the Citadel to the old town at one side and to the newer part with its oversized areas and buildings at the other side. This ambiguity is a characteristic of the city in many aspects.**

To understand Romania with its contrasts it is perhaps important to know, that today's Romania was formed in the 19th century and is composed of many rather different parts – mainly the Hungarian dominated Banat, Transylvania with its strong German influence, the Danubian principalities Wallachia in the south and Moldavia

in the east. Furthermore, during history many different cultures had their impact on Romania, mainly the Ottomans were a long-lasting threat, but also an important trading partner. The different cultures left clear signs in the country and are often to identify by the different cityscapes. And the cityscape of Brasov is clearly that of a German city, at least in the old town.

Embedded in a valley and nestled against the Carpathian hillside the old town is a gem meanwhile not completely but in wide parts restored and renovated. The central market place and the pedestrian area, the sometimes wider, sometimes smaller streets can without effort compete

with more popular old German towns like Rothenburg ob der Tauber. That is also true for the offer of hotels, restaurants, cafés and shops. In the centre of the market place the old town hall is located and the whole area is a meeting point for the young and the young at heart. Only some steps away there is to find the so-called Black Church – it acquired the name after being blackened by smoke from the 1689 great fire, but after many renovations and restorations it seems to be 'normal-coloured' again. In front of the church there is to find the statue of Johannes Honterus, a theologian born in Brasov, who implemented the Lutheran reform in Transylvania and founded the humanist gym-

nasium local school (today Johannes Honterus School), where still today lessons are held in German although the majority of pupils are Romanian. In the seventh most populous city in Romania – Brasov has about 250,000 inhabitants – population today is by more than 90 per cent Romanian origin, Germans have a share of only one per cent, while still in the 19th century Germans, Hungarians and Romanians had nearly the same share in the total population of the city.

The visitor who is staying a bit longer in the city, will notice that there is still some room for improvement. For example, orphaned tennis courts with a wonderful Art Nouveau Club house are going rack and ruin, the same with the Citadel, located on a hill between the old town and the new part of the city and spotlighted during the night. Who is going up the Tâmpa mountain by cable railway to enjoy a wonderful view on the old town, notices that at the top station there is a large restaurant from communist times, but today closed. Whenever the question is why, the answer is: it is private-owned. The example of the Citadel is particularly annoying because it was the municipality itself that has sold the property. It could be an ideal location for a hotel, restaurant and for celebrations of any kind. The fact that the current owners are doing really nothing is courting resentment of many Brasov citizens. The restaurant on the mountain, however, is failing, because the cable railway, serving the place, is also private-owned and the operator has other interests than the owner of the restaurant. Both, cable railway and restaurant, worked together in former times – they were both state-owned and therefore in one hand. Nevertheless, Brasov is worth a visit and not by chance one of the most visited cities of Romania. To this success also contributes the fact that above Brasov in only 12 kilometres distance there is Poiana Brasov, a ski resort with comprehensive tourist infrastructure that can easily compete with many similar locations in the Alps.

While the old town founded by German settlers is embedded in green,

small and cosy and also the so-called Bartholomew's Faubourg, once located already outside the ramparts, is still following the example, the newer part of Brasov, mainly developed in the 20th century with the increasing industrialisa-



*The part developed in the 20th century is characterised by often oversized buildings.*

tion, is characterised by huge, if not to say oversized buildings. Among others an aviation company was founded in the 20s of the 20th century, changed into a tractor and construction plant after World War II. Automotive industry followed. In times when industrial robots were still unknown large-scale plants needed many workers who also had to live somewhere. Therefore large-panel system buildings have been developed for residential purposes. When the Iron Curtain was down and the communist system changed into a market system, Brasov's industries were no longer competitive: they closed down, people lost employment, and the large production areas deteriorated. It is only to guess what this meant for the city, because meanwhile new life has started on the waste land.

Arriving in Brasov from Bucharest, the first things to notice are the large shopping centres. Selgros and Metro, Carrefour and Auchan are competing with each other, Ikea will open a store in the near future, and AFI Europe is planning a mall with 40,000 square metres of gross leas-

ing area. But who should spend money by shopping, has to earn it first and needs employment. Also in this respect things have changed fundamentally. The Schaeffler Group, manufacturer of rolling element bearings for automotive, aerospace

and industrial uses, was one of the first companies taking advantage of the fact that automotive industry was established in Brasov since long and that there was an already trained labour force. Step by step other companies followed. Besides manufacturing also the service sector has enlarged, so today unemployment is no longer a problem in Brasov, quite the contrary: today Brasov is suffering from labour shortage and companies have difficulties to find well-educated and trained people. Therefore the private sector has become active by establishing and enlarging a dual training programme following the example of the German system.

Labour shortage is a development to state in many Romanian cities and caused by strong emigration and brain drain since the fall of the Iron Curtain. However, there are also examples of the contrary: when the communist system broke down, Christian Macedonschi left Romania going to Germany, but returned in 2007. Today the entrepreneur is one of the city councillors and very active for Brasov's further development. At this point a small





*Coresi Business Park is a mix of redeveloped industrial buildings of the former tractor plant and new office buildings.*

parenthesis has to be allowed: Romania is a multi-ethnic state with exemplary minority rights. If elections for the parliament or the county and municipal councils, in any case the minorities have at least one representative in the respective body regardless the number of votes they get. Romania has a total of 18 different minorities and they don't have to be organised in parties to name a representative for elections.

But back to the former industrial areas: one of the major urban regeneration projects in Romania is the redevelopment of the former tractor plant, located directly behind Brasov's main station and extending to 120 hectares. Here, two years ago, the Coresi Shopping Resort has been opened, and now about 3,000 residential units are under development on an area of 40 hectares. The core of the project is the Coresi Business Park, established on 12 hectares and comprising a mix of refurbished industrial halls converted for office use and new built offices. The main (administrative) building of the former tractor plant with its characteristic tower is today occupied by the operational centre of Raiffeisenbank International. Once completed, Coresi Business Park will offer a total of 100,000 square metres of office space, some more than a quarter of these is already realised. What is striking are the ample open areas between the buildings creating a

campus atmosphere. One special building, however, is causing some headache for Ascenta Management, the developer of Coresi Business Park: a hangar from the time when the aviation company was working on the ground, a 3,000 square metre hall totally column-free. As Florin Rebic, Partner of Ascenta Management, concedes, they are still in search of a reasonable use of the hall. By no means they want to tear it down.

Not far away from Coresi Business Park there are further old factory buildings, the first in the row already refurbished and hosting a hotel and some exhibition space. "The following halls are suitable to redevelop them into a modern fair and congress area", explains Christian Macedonschi. And he is right adding that all over Romania there are no modern fair and congress facilities. There is RomExpo in Bucharest existing, but it is old-fashioned and not really attractive. However, the development of a modern fair and congress centre in Brasov requires what Imelda Tóóssó, Vice President of the County Council Brasov, named the first priority in the development strategy plan: an airport and good transport connections.

Who ever travelled from Bucharest or from the western part of the country to Brasov, knows why this point is of main importance. While the Romanian cities in the west of the country are meanwhile

connected with the motorway network leading to Hungary and from there further west, Brasov can be reached only over 'normal' streets where the drive from Bucharest – 185 kilometres – lasts nearly three hours, and also from Sibiu (143 kilometres) – it has an international airport – the traveller needs nearly the same time. Going by train is not really an alternative, because the railway is single-tracked, the frequency of trains is low, and even a so-called express train is on route for some three hours.

For the development of an airport Brasov has at least the approval of the government in Bucharest, but no funding to expect. That means that city and county of Brasov have to find a solution how to finance the airport project – by own funds or by PPP. The need for action is urgent, also by the fact, that already EUR 25 million public money have been invested in a 2.8 kilometre runway. "No politician can dare to waste this money by doing nothing regarding the airport", Christian Macedonschi argues. What is still missing is the development of taxiways and the apron, of a terminal and the connection to the city.

There is hope that in three, latest four years the airport can be opened – a hope not only the city and county are cherishing to extend the current momentum in development, but also investors and business people in Brasov. | **Marianne Schulze**



## FOR YOUR PLANNING

When	What about	Where	For information and registration
26.–27. April 2017	Real Connect CEE Property & Investment Fair	EXPO XXI, Pradzynskiego 12/14, Warsaw, Poland	<a href="http://www.realconnect.pl">www.realconnect.pl</a>
1.–3. June 2017	SPIEF '17 St. Petersburg International Economic Forum	ExpoForum, St. Petersburg, Russia	<a href="http://www.forumspb.com">www.forumspb.com</a>
28. June – 1. July 2017	ERES 24th Annual Conference	Delft University of, Technology, Delft, The Netherlands	<a href="http://www.eres.org">www.eres.org</a>
6 – 7. July 2017	Moscow Urban Forum: The Era of Agglomeration. A New Map of the World	VDNH Pavilion No. 75, Prospekt Mira, 119, Moscow, Russia	<a href="http://www.mosurbanforum.com">www.mosurbanforum.com</a>
12.–14. September 2017	RealCorp 2017 22nd International Conference on Urban Planning and Regional Development in the Information Society	TU Vienna, Karlsplatz 13, Vienna, Austria	<a href="http://www.corp.at">www.corp.at</a>
24.–26. September 2017	13th Conference of European Regions and Cities: „Next Generation“	Salzburg Congress, Auerspergstraße 6, Salzburg, Austria	<a href="http://www.institut-ire.eu">www.institut-ire.eu</a>
4.–6. October 2017	Expo Real 19th International Trade Fair for Property and Investment	Messe München, Munich, Germany	<a href="http://www.exporeal.net">www.exporeal.net</a>

# AGAINST THE DISFIGUREMENT OF THE ENVIRONMENT

Sometimes the decision to review a book is peculiar. That was the fact with "Courage for beauty" by Tarek Leitner. The book was offered at the most recent annual conference of Institute of Regions and Cities IRE in Salzburg. The first impression that during an event about sustainability a beauty guidebook was offered caused some disconcertment. The explanation for the Non-Austrian who was not familiar with the name of the TV journalist was a look in the conference programme. There was listed the lecture about land use by Tarek Leitner.

A closer look would have helped anyway. The subhead "Pamphlet against the disfigurement of Austria" is showing that it is at least about a geographical location. Reading the book the context with real estate and investments becomes apparent. The book already published in 2012 but still topical is dedicated to the perception of cities and landscapes in Austria. Tarek Leitner is stating eyesores in a great number and nearly everywhere. They range from blemished old buildings, petrol stations, fast food restaurants, illuminated advertising panels to motorway interchanges and roundabouts. Instead of beauty he has to recognise the ugly caused by economic efficiency. Some of his critiques sound

a bit general, others simplified. But that exactly is the main character of a pamphlet. Also if not sharing all statements and judgements of Tarek Leitner, the book is worth reading, not only because of its many examples.

The first chapter "A trip into the countryside" giving impressions of a drive from Vienna into the Salzkammergut, is followed by chapters with eye-catching headlines like "Illusory world with visions aids", "Constructed charts", "Extortion by profitableness", "Centralised shopping", "Experienced money" and "Loss and substitution". The final chapter "Desire against reality: What to do?" is giving some behaviour guidelines.

"We can hope and work towards that beauty is eventually becoming a political category. This will be the fact when we have recognised that progress does not only mean economic growth but also includes an increase in quality of our environment ...", Tarek Leitner writes.

It seems unlikely that beauty or – more general – aesthetics will become an appraisal criterion for real estate or locations. But at least the topic could and should play a role in economic considerations. We all know what Tarek Leitner



Tarek Leitner

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describes. Though "Courage for beauty" is about Austria only, the mentioned eyesores are to find everywhere. Thereby the "Pamphlet against disfigurement" is more or less of general meaning.

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