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DEAR READERS!

The first month of the new year has nearly passed by. Nevertheless first of all I want to wish you all the best for the further course of 2018.

In Germany the new year has started idiosyncratically. Because since the Bundestag elections at 24. September 2017 meanwhile four months went by without a new government. In December there were to read some sentences from the now Managing Minister for Foreign Affairs Sigmar Gabriel that stick to my mind: "The greatest danger for a politician is when people realise that all is going on without us. That is a real danger. In Belgium all went well for two years without a government." For sure, the statement was a bit fluffy, but there is something in it.

To be honest: how many names of Ministers for Building or with responsibility for Building and Housing of the Federal Republic of Germany do you, dear readers, remember? To give you a hint: there are 25 ministers.

But to be serious: Germany cannot get along without government and there is to hope that a new one will be formed soon. Then again the question will arise how many ministries we need, what will be their responsibilities and how many political leadership staff they need. All requiring a lean state will have the opportunity to realise it. Because savings regarding the political leadership staff is possible in many a position – state secretaries included.

Reflecting I wish you optimism – and vice versa: optimistic reflections.

Yours,

Andreas Schiller

The shopping centre Galeria Baltycka in Gdansk opened in 2007 and comprises 48,700 square metres of leasing area.

DEUTSCHE HYPO IS FINANCING A SHOPPING CENTRE IN POLAND

Deutsche Hypothekenbank is financing the Galeria Baltycka shopping centre in Gdansk for real estate company Shopping Center Galeria Baltycka GmbH und Co. KG sp.K. The financing volume amounts to almost EUR 81 million, of which 50 per cent will remain with Deutsche Hypo on a long-term basis. The shopping complex from the portfolio of Deutsche EuroShop AG opened in 2007 and covers five floors, with two floors serving as a car park with around 1,000 parking spaces. Galeria Baltycka is managed by ECE.

HANSAINVEST ACQUIRES GENERATION PARK X IN WARSAW

Hansainvest Real Assets GmbH has acquired Generation Park X – the first building of Generation Park in Warsaw from Skanska. The transaction volume was around EUR 83 million.

The first out of three office buildings of the Generation Park complex was completed in November 2017, providing approximately 21,000 square metres. Generation Park will comprise three office buildings with a total leasable area of around 84,000 square metres The highest building, a 34-storey tower, will reach 140 metres (180 metres including the spire).

REFINANCING FOR WARSAW OFFICE PORTFOLIO OF IMMOFINANZ AG

Berlin Hyp and Erste Group Bank have jointly provided Immofinanz AG a five year secured loan in the amount of EUR 205 million. The syndicate is providing Immofinanz a "one stop" portfolio-refinancing for their office portfolio in Warsaw and is thus replacing seven existing, individual real estate loans. Agent for this transaction is Berlin Hyp. The portfolio consists of seven office buildings in Poland's capital. Specifically, these are the Park Postepu office building, IO-1, Nimbus, Brama Zachodnia, Equator, Crown Point and the Crown Tower. The portfolio has a total area of around 140,000 square metres lettable area and has been owned by Immofinanz AG for several years.

NEINVER AND TH REAL ESTATE JV BUYS FACTORY MALL IN WARSAW

Neptune, a joint venture between Neinver and TH Real Estate, acting on behalf of TIAA, has completed the purchase of Factory Warsaw Ursus Outlet Mall in the capital of Poland for EUR 79.7 million. Acquired from the Irus European Retail Property Fund, Factory Warsaw Ursus features 19,593 square metres of gross leasing retail space. It boasts over 103 retailers and is located 10 kilometres from the Warsaw city centre.

Office complex Korona in Krakow consists of four buildings with a total of 36,800 square metres of gross leasing area.

REFINANCING FOR KORONA OFFICE COMPLEX IN KRAKOW

GTC S.A. signed a EUR 46.5 million loan agreement with Bank Zachodni WBK for refinancing of Korona office complex in Krakow. The complex consists of four office buildings offering about 36,800 square metres gross leasing area. Korona Office Complex was constructed in 2003-2014 and underwent significant refurbishment in 2017. It currently accommodates several Polish and international companies from IT, finance, BPO, consulting and other sectors.

SKANSKA INVESTS IN A NEW OFFICE BUILDING IN KRAKOW

Skanska invests EUR 44 million in the next building of High5ive, a five-building office complex located in Krakow. The investment considers the third building as well as underground parking levels for both the third and the fourth building. The building under construction will offer a total leasable area of about 12,000 square metres. Construction of the third building has started and is scheduled for completion in the first quarter of 2020. High5ive, Skanska's largest office development in Krakow, has a central location next to Krakow's main railway station. The complex will ultimately comprise five office buildings with a total leasable area of about 70,000 square metres.

NEPI ROCKCASTLE ACQUIRED ALFA CENTRUM BIAŁYSTOK

Nepi Rockcastle has acquired Alfa Centrum shopping centre in the city of Białystok in Poland from A-JWK Management sp. z o.o., effective from 9 November 2017. With a gross leasable area of 37,000 square metres, Alfa Białystok is located near the city centre and is close to the internal ring road. Alfa Białystok was opened in 2008 and is a three-level shopping mall with 150 retail units and a Piotr i Paweł supermarket. The aggregate purchase price for Alfa Białystok was EUR 92.3 million.

GOODMAN BUILDS LOGISTICS CENTRE IN WESTERN POLAND

Goodman has begun construction of a warehouse of over 32,000 square metres for BMW Group in Swiecko. The facility will be a logistics centre for replacement parts to serve the Polish and East German market. It will be Goodman's first development for BMW Group in Poland.

BMW Group will relocate and expand its spare parts business to Swiecko. The new, expanded facility is located 6 kilometres from the Polish-German border and only 110 kilometres from Berlin, where the BMW Group production plant is located. BMW is scheduled to take occupancy in Q2 2018. JLL advised on the lease transaction.

Galeria Północna in Warsaw has been developed by GTC. The shopping centre comprises 64,600 square metres of leasing area and has been opened in September 2017.

INVESTMENT LOAN FOR GALERIA PÓŁNOCNA IN WARSAW

GTC's Polish flagship retail project, Galeria Północna in Warsaw, was officially granted the investment loan facility in the maximum amount of up to EUR 200 million. Under the original agreement, Bank Pekao S.A. granted a construction loan facility of up to EUR 116 million. Galeria Północna was officially opened in September 2017 and comprises a total leasable area of 64.600 square metres.

BENSON ELLIOT ACQUIRES FOUR OFFICE BUILDINGS IN POLAND

Benson Elliot, on behalf of its pan-European fund, Benson Elliot Real Estate Partners IV L.P. (BEREP IV) has acquired four office buildings in Polish regional markets. The properties were secured in separate off-market transactions with four different vendors. The buildings acquired are: Opera in Gdansk, completed in 2012 and comprising 8,290 square metres; Vinci in Kraków with 20,400 square metres, completed in 2010; Forum 76 in Łódz, completed in 2009 and offering 7,910 square metres; Okraglak and Kwadraciak, two architecturally significant office buildings located in the city centre of Poznan. The buildings, totalling 7,900 square metres, have nine (Okraglak) and five (Kwadraciak) upper floors. Originally completed in 1955 as the Central Department Store (designed by renowned Polish architect Marek Leykam), the buildings were later converted to office use in 2012.

Benson Elliot was advised by Greenberg Traurig / Hogan Lovells and JLL. Financing was provided by Bank Zachodni WBK and mBank Hipoteczny. Sharow Capital has been appointed as asset manager by Benson Elliot.

POLISH RETAIL PORTFOLIO IS CHANGING HANDS

Chariot Top Group BV, a company incorporated in the Netherlands, co-managed by Griffin Real Estate, through its subsidiaries, signed a preliminary agreement related to an acquisition of a portfolio of 28 retail properties from funds managed by Ares Management L.P., AXA Investment Managers – Real Assets and Apollo Rida. The value of the deal is around EUR 1 billion. Following the closing of the transaction, under a separate agreement, the consortium will re-sell a part of the portfolio to EPP.

The portfolio consists of 9 shopping centres, 12 hypermarkets, 4 retail parks and 3 stand-alone DIY stores. The portfolio has a total gross leasing area of about 704,000 square metres. All assets have been developed in 2004 and 2005 and are offering value-add potential including the enlargement by 60,000 square metres. The acquisition will be partially financed with approximately EUR 635 million bank debt.

Following the closing of the transaction Chariot Top Group will sell 12 of the 28 properties in three tranches and over a period up to 2020 to EPP. Together with Oaktree, Pimco and Redefine Properties Griffin Real Estate is also having a share in EPP.


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Office complex Imagine will be developed at the corner of Piłsudskiego and Smigłego-Rydza Streets in Łódz.

BUILDING PERMIT FOR IMAGINE OFFICES IN ŁÓDZ

Avestus Real Estate has secured a building permit for its Imagine office complex, which is set to be developed at the corner of Piłsudskiego and Smigłego-Rydza streets in Łódz. The project will feature two buildings offering a total of 16,800 square metres of commercial space. There will also be a car park with 356 spots and 49 double bicycle racks. Completion is scheduled between late 2018 and early 2019.

MODERNISATION WORKS START ON KUPIEC POZNANSKI

The owner of Kupiec Poznanski in Poznan has signed an agreement to modernise the office part of the building. The scope of works includes a creation of a reception area dedicated to office space that will be independent from the shopping centre part. Moreover new modern lifts will be introduced and common areas on the office floors will be rearranged according to design provided by Kostka & Kurka architectural studio. The works are scheduled to finish in February 2018.

Kupiec Poznanski is a mixed-use retail and office project with a total space of 20,500 square metres, where 10,000 square metres are dedicated to offices located on the 3 top floors of the building. The building has 6 storeys and an underground floor with parking for cars and bikes.

MASTER MANAGEMENT GROUP BUYS POLISH RETAIL PORTFOLIO

Master Management Group acquired a retail portfolio, comprising of seven existing properties as well as development land for new projects in Poland, from HBK, asset manager of Direkt Invest Polen fund. The properties offer approximately 63,000 square metres of gross leasing area distributed over different formats – from retail parks to shopping centres. They are located in Kutno, Ciechanowów, Piekary Slaskie, Józefosław, Lubin, Poznan and Szczecin. Total value of the transaction equals to EUR 60 million. In the transaction the seller was advised by BNP Paribas Real Estate Poland.

GHELAMCO'S FIRST OFFICE PROJECT IN KRAKÓW

Ghelamco Poland is developing its first office project in Kraków. Called .big, the office scheme is going up at the junction of Generała Bohdana Zielinskiego and Kapelanka streets. The project will offer 10,000 square metres of office and 1,500 square metres of commercial space. The scheme should be completed next year.

WestEnd City Center in Budapest has been opened in 1999. The complex comprises a 47,000 square metre shopping centre, an office complex as well as a hotel building.

REFINANCING LOAN FOR WESTEND CITY CENTER IN BUDAPEST

Gránit Pólus Group has signed a credit agreement of EUR 335 million with a syndicate of Erste Group Bank AG, Erste Bank Hungary Zrt., UniCredit Bank Hungary Zrt., UniCredit SpA and K&H Bank Zrt. in order to refinance existing loans and provide a capex credit line for WestEnd City Center.

WestEnd City Center is a mixed-use development scheme. It consists of a 47,000 square metre retail area, a 16,000 square metre office complex and a 5-star Hilton Budapest City Hotel.

GRÁNIT PÓLUS GROUP IN HUNGARIAN OWNERSHIP ONLY

Continuing the ownership consolidation programme started two years ago, Canadian businessman Peter Munk was bought out of Granit Polus. In the new ownership structure, Sándor Demján and his direct management are the majority owners of the group of companies. Sándor Csányi remained as minority owner.

The buy-out of Peter Munk followed the acquisition of Immofinanz shares in 2015, also part of the consolidation programme. Peter Munk – as the president and owner of TrizecHahn – joined the Group in the late 1990s.

ATENOR SELLS VACI GREENS D IN BUDAPEST

Atenor has sold the fourth building of the Vaci Greens complex in Budapest (Vaci Greens D) to a Hungarian private fund. The building comprises 14,145 square metres of office space, 1,502 square metres of commercial units and underground parking for 260 vehicles. The sale will close with the delivery of the building early in 2018.

The Vaci Greens campus in Budapest consists of six buildings offering a total of 120,000 square metres of office space, three of which have been completed and are already sold.

PENNY OPENS LOGISTICS CENTRE IN WESTERN HUNGARY

German discount supermarket chain Penny Market opened a logistics centre in Veszprém, 125 kilometres southwest of Budapest, following a nearly EUR 30 million (HUF 9 billion) investment. The facility offers 26,500 square metres of warehouse space on a 10 ha land. The new warehouse can hold 15,000 pallets. It is the company's third logistics centre in Hungary, where is operates 208 stores.

The City Palais in central Prague was designed by Czech architect Matej Blecha and the sculptor Celda Kloucek and constructed in the beginning of the 20th century.

REDEVCO ACQUIRES CITY PALAIS BUILDING IN PRAGUE

On behalf of one of its investor clients, Redevco has acquired the neo-renaissance and secession-style City Palais building in Prague. The retail property was purchased for more than EUR 40 million from a group of private investors. The asset is situated in the city's main pedestrianised shopping precinct and consists of six floors above ground and two underground floors with a complete floor area of 7,482 square metres.

ALLIANZ GROUP AND ING BANK: SYNDICATED LOAN FOR CTP

CTP Group, Allianz Group and ING Bank have signed a new EUR 160 million syndicated loan for the financing of a portfolio of industrial properties in the Czech Republic. This loan serves both to refinance existing loans from a group of CEE banks and to finance new projects which have been completed in 2017.

CBRE GI ACQUIRES CZECH INDUSTRIAL PORTFOLIO

CBRE Global Investors has acquired a logistics/light industrial portfolio in Plzen from Stage Capital. The circa 151,000 square metre portfolio consists of four standing assets built between 2007 and 2017 and development land with planning permission for one more asset. One building of circa 5,000 square meters which is currently under construction will be acquired after completion in Q1 2018.

LASALLE IM PURCHASES MIXED-USE PROPERTY IN PRAGUE

LaSalle Investment Management has acquired Palác Andel in Prague from Aberdeen Asset Management Deutschland. This administrative building in the Prague district of Smíchov-Andel is the first Czech Republic asset for the LaSalle E-REGI fund. The total purchase price reached EUR 57.8 million. The premises comprise 14,500 square metres of office and retail area.

TK DEVELOPMENT: CONSTRUCTION FOR OUTLET ARENA MORAVIA

TK Development has received a construction permit for Outlet Arena Moravia. It will rise in the vicinity of the centre of Ostrava, lying immediately adjacent to the D1 Motorway, in Hlucinska Street. Phase 1, offering 11,700 square metres of leasable area, is scheduled to open next autumn.

AFI Tech Park in Bucharest will be developed in three phases. The first phase offering 20,000 square metres of office and 2,000 square metres of retail space will be completed in Q2, 2018.

FINANCING FOR AFI TECH PARK 1

AFI Europe Romania has signed a EUR 22 million financing agreement with Bank Leumi Romania for the first phase of AFI Tech Park, which the company is currently developing in Bucharest. The business park will offer a total of 56,000 square metres of office space, developed in three phases. The first phase of the project will be delivered in Q2, 2018, offering 20,000 square metres of office and 2,000 square metres of retail space. The total investment volume for AFI Tech Park 1 is expected to top EUR 30 million.

REVETAS AND CERBERUS ACQUIRE HOTEL COMPLEX IN BUCHAREST

Revetas Capital Advisors LLP and Cerberus Capital Management, L.P. and its affiliates announced the acquisition of Project Nemo, a hotel complex with approximately 86,000 square metres of gross leasable area in Bucharest. The complex includes the Radisson Blu and Park Inn hotels, featuring a total of 697 guest rooms operated by the Rezidor Hotel Group, as well as approximately 7,500 square metres of retail space.

EBRD ACQUIRES STAKE IN GLOBALWORTH REAL ESTATE

The EBRD has acquired a 4.4 per cent stake in the central and eastern European property investor and developer Globalworth Real Estate Investments Limited as part of a public offering to support growth in the company’s property portfolio and operations in Romania and support its expansion into Poland.

Listed in 2013 on London Stock Exchange’s Alternative Investment Market (AIM), Globalworth has grown to become the largest investor and developer of office space in Romania. Following the company’s strategic investment in Poland, through the acquisition of a 67.9 per cent stake in Griffin Premium R.E. N.V., Globalworth is set to become one of the leading office investors in the region.

MITISKA REIM: OPENING OF TWO NEW RETAIL PARKS IN ROMANIA

Mitiska REIM, in partnership with Squaretime Development, has announced the opening of two new retail park developments in the Romanian cities of Bistrita and Pascani. B1 Retail Park Bistrita is the first retail park in the city. The development comprises 21 units spanning 8,900 square metres gross leasing area. A second phase of development is planned which will see the addition of three additional retail units and a drive-thru restaurant. This will increase the total gross leasing area of the site to 11,000 square metres, with the second phase development scheduled for completion in Q4 2018. Retail Park Pascani is a development consisting of five units and a gross leasing area of 2,200 square metres.

Currently Logicor Bucharest I consists of a total of 82,900 square metres of warehouse space. The distribution park has still new development potential of approximately 64,000 square metres.

LOGICOR COMPLETES LOGISTICS DEVELOPMENT IN BUCHAREST

Logicor has completed the development of a new 44,000 square metre logistics warehouse in Bucharest. The newly constructed warehouse, called Building C, forms part of Logicor Bucharest I distribution park, in Mogosoaia. The distribution park comprises three buildings with a total 82,900 square metres of warehouse space and is located 10 kilometres from the centre of Bucharest. Transport connections include the DN2 road (3 kilometres) and international airports (Otopeni and Baneasa, both 8 kilometres).

RIVER DEVELOPMENT KICKS OFF THE LIGHT OFFICE CONSTRUCTION

River Development, part of Romanian Sema Group, has announced the start of the construction works for The Light office building located in Politehnica area, on the grounds of the former Pumac factory in Bucharest. The building will have a gross leasable area of 21,000 square metres and will be delivered in the first quarter of 2018 following an investment of around EUR 33.5 million.

Meanwhile, the company is continuing its investments at Sema Office, located near the metro station Petrache Poenaru. After delivering the first building called Bruxelles, which has a leasable surface of 14,500 square metres, the company is working to complete the Paris and Berlin buildings that will bring another 26,600 square metres on the office market.

P3 TO ENLARGE ITS BUCHAREST PARK

P3 has acquired over 17 hectares of land in the vicinity of P3 Bucharest Park with the purpose of developing the park up to 500,000 square meters in the next two years. The new plot of land allows for the building of a warehouse of up to 100,000 square metres. P3 Bucharest Park currently comprises a total of 370,000 square metres in 14 warehouses.

MLP GROUP LAUNCHES NEW PROJECT IN ROMANIA

Polish developer MLP Group will build a new logistics park in Romania. The development will be executed near Bucharest on an 18.8-hectare plot of land. The target total area of this complex of facilities will be approximately 80,000 square metres of warehouse space. MLP Bucharest West SRL, an MLP Group S.A. subsidiary registered in Romania, has signed a contract for the purchase of land in Bucharest's western outskirts near Chitila. The MLP Bucharest logistics park will be directly accessible from the Bucharest bypass and will be located between the European routes E70 (national road no. 6 from Lugoj to Bucharest) and E60 (national road no. 1 from Brasov to Bucharest). A trip by car to the logistics park from the Bucharest Otopeni International Airport will take approximately 15 minutes, a trip from downtown Bucharest about 25 minutes.

Office complex Green Heart in New-Belgrade comprises of fully renovated existing buildings as well as new constructions. The five buildings are offering a total of 46,000 square metres of office space.

GTC SECURES LOAN FOR BELGRADE OFFICE PROJECT

GTC has signed a EUR 60 million refinancing and investment loan with Raiffeisen Bank International AG for the refinancing of Green Heart, its new office project in Milutina Milankovica in New Belgrade. Green Heart business complex will consist of 46,000 square metres. 21,000 square metres are being fully renovated and 25,000 square metres are under construction.

ERSTE GROUP SELLS ITS STAKE IN S IMMO

Erste Group Bank AG has sold its 10.21 per cent stake in S Immo AG and as a consequence no longer holds a stake in the real estate investment company, which has been listed on the Vienna Stock Exchange since 1987. The around 6.8 million shares were acquired by a subsidiary of the RPR private foundation, which had already been among the largest shareholders in S Immo AG. The parties agreed not to disclose the value of the transaction.

PATRIZIA ACQUIRES TRIUVA

Patrizia Immobilien AG has acquired Triuva Kapitalverwaltungsgesellschaft mbH. Both parties agreed to not disclose the purchase price. Triuva is one of the leading providers of real estate investments in Europe. The company manages around 40 funds, and consists of around 200 employees across its 15 European locations. The Frankfurt-based company focuses on commercial real estate in the office, retail and logistics sectors as well as infrastructure. Currently, Triuva manages real estate assets of around EUR 9.8 billion. The acquisition increases Patrizia's assets under management by around 50 per cent to more than EUR 30 billion.

ERSTE GROUP AND DLL FORM STRATEGIC ALLIANCE

Erste Group Bank AG and DLL (De Lage Landen International B.V.) have signed a Memorandum of Understanding (MoU) aimed at establishing a strategic alliance with respect to their vendor financing and leasing activities in Central and Eastern Europe. More precisely, the countries in scope are Austria, Bosnia and Herzegovina, Croatia, Czech Republic, Hungary, Macedonia, Montenegro, Romania, Serbia, Slovakia, and Slovenia. Through the intended strategic alliance, Erste Group and DLL aim to grow their joint business.

In order to ensure consistent and efficient future operations throughout Central and Eastern Europe, the MoU foresees a potential transfer of DLL Hungary entities into Erste Bank Hungary or one of its entities. This is subject to due diligence and agreement on the transfer terms which is expected in Q2 2018.

Torun Plaza in the Polish city of Torun has been developed by Plaza Centers and was now sold to a private investment fund.

PLAZA CENTERS CLOSES SALE OF TORUN MALL

Plaza Centers N.V. announced that one of its subsidiaries has completed the sale of Torun Plaza shopping and entertainment centre in Poland to a private investment fund for a purchase price reflecting a total forecasted value for the project of EUR 70.6 million, including circa EUR1.1 million which may be due as an earn-out payment. Torun Plaza with its 40,000 square metres of gross leasing area started to be developed by Plaza Centers in 2007 and opened to the public in 2011.

SES BUYS KING CROSS SHOPPING CENTRE IN ZAGREB

Aberdeen Asset Management has sold the King Cross shopping centre in Zagreb to SES Spar European Shopping Centers. The transaction price has not been disclosed. JLL advised Aberdeen Asset Management in the sale process.

Located in the municipality of Jankomir, King Cross comprises 29,000 square metres of retail space and has opened in 2002.

IMMOFINANZ CLOSES THE SALE OF THE RUSSIAN RETAIL PORTFOLIO

Immofinanz has concluded the sale of its retail portfolio Moscow to the Russian Fort Group. The object of the sale is the Austrian holding company that contains all of the investments in the property companies which hold the retail portfolio in Moscow.

The sale of the retail portfolio Moscow generates immediate net cash flows (after the repayment of existing debt financing) of RUB 5 billion (approximately EUR 72 million). The purchase agreement also includes an additional guaranteed payment of EUR 14.5 million in January 2022 and an earn-out of up to RUB 9.0 billion (approximately EUR 129.6 million) based on the revenues from the shopping centers in 2021, which is also due in 2022.

CTP ACQUIRES PHOENIX LOGISTICS CENTER IN ROMANIA

CTP acquired Phoenix Logistics Center with approximately EUR 7 million from the Dutch company LSREF3 Alpha Dutch Holdings B.V. The Phoenix Logistics Center is located in Chiajna, 10 kilometres from the centre of Bucharest. It has a total area of 43,000 square metres, of which 21,000 square metres is leasable area. The developer's plans for the logistics park in Chiajna include an upgrade and refurbishment. This is expected to require a total investment of around EUR 1.5 million and will be carried out in two phases.

Magnolia Park is located near the centre of Wrocław and the largest shopping centre in the city.

UNION INVESTMENT ACQUIRES MAGNOLIA PARK IN WROCŁAW

Union Investment has expanded its Polish shopping centre portfolio. The latest addition to open-ended real estate fund UniImmo: Europa is Magnolia Park in Wrocław, which comprises some 100,000 square metres of retail space. Sold to Union Investment by Blackstone for around EUR 380 million, the shopping centre was completed in 2007 and extended in 2015. The shopping centre will continue to be managed by Multi after the sale. Cushman & Wakefield advised Union Investment on the transaction.

SKANSKA SELLS TWO OFFICE BUILDINGS IN KRAKOW TO NIAM

Skanska has sold the first two buildings of the High5ive office complex in Krakow to the real estate fund manager Niam for EUR 75 million. The two buildings provide about 23,400 square metres and are scheduled for completion in sequence in the first and in the second quarter 2018. High5ive will ultimately comprise five office buildings with a total leasable area of about 70,000 square metres. It is located adjacent to Krakow Old Town and the main train station.

CPI BUYS THREE HOTEL PROPERTIES IN CZECH REPUBLIC AND HUNGARY

CPI Property Group announces completion of the acquisitions of three hotel properties in Czech Republic and Hungary. The company acquired a historical building located in Cesky Krumlov in Czech Republic. The building, situated in the heart of this medieval town, will be completely reconstructed into a four-star boutique hotel with approximately 30 rooms. The hotel is expected to open in mid-2019. In Olomouc, also in Czech Republic, CPI Property Group acquired Hotel ibis Olomouc Centre. The hotel is located in proximity of the historic old town and offers 90 rooms, 5 fully equipped conference rooms and onsite parking.

The third asset is located downtown Budapest. The building with approximately 3,700 square metres of gross leasing area neighbours directly with the Starlight Hotel also owned by CPI. The building currently serves as office building but the CPI intends to refurbish it together with the Starlight Hotel into a 3-star hotel.

CATALYST CAPITAL BUYS NOBILIS OFFICE BUILDING IN WROCŁAW

On behalf of its Core Plus European Property Fund Catalyst Capital has bought Nobilis Business House from Echo Investment for EUR 44 million. The building, located on Marii Skłodowskiej-Curie street in Wrocław, was completed in late 2016 and comprises 16,900 square metres of gross leasing area.

STAFFING


left: Daniel Folian
right: Michael Höllerer

Daniel Folian has been appointed Member of the Management Board and the new CFO of Warimpex. He is performing this function and serving as the Deputy Chairman of the Management Board since 1 January 2018, thus succeeding Georg Folian, who stepped down from Warimpex's Management Board. Daniel Folian studied business administration at Vienna University of Economics and Business, and completed his studies by earning a doctorate in 2008. Over the course of his career, he has worked at companies including OBI Bau- und Heimwerkermärkte GmbH and PwC Pricewaterhouse Coopers GmbH. He has been with Warimpex for 11 years as an Authorised Officer (Prokurist) and the Head of Investor Relations. In addition, Daniel Folian holds and has held Management and Supervisory Board positions at various international and Austrian companies.

Michael Höllerer has become Member of the Managing Board of Raiffeisen Bank Polska and will be in charge of the Portfolio Management division. The career of the lawyer within the RBI Group started in 2006 and included several management functions. He was member of RZB's Managing Board from 2015 to 2017. Following the merger with RZB in the spring of 2017, he was RBI's plenipotentiary in charge of Digital Banking, Group Regulatory Affairs, Legal Services, Group Marketing and Sustainability Management.


left: Andreas Quint
right: Andreas Sauer

Andreas Quint has been appointed as new CEO of CA Immobilien Anlagen AG. He succeeds Frank Nickel, who decided to leave the company in mutual agreement with the company not later than 31 March 2018. Frank Nickel will continue to advise the company as an external consultant in the future. Andreas Quint held various management positions, among others, at Jones Lang LaSalle (between 2008 and 2013 initially as CEO Germany, then as CEO Corporate Finance Europa), Catella (CEO Germany) and as a partner at Ernst & Young. Currently he is Head of Corporate Finance & Portfolio Transactions at BNP Paribas Real Estate (BNPPRE).

Andreas Sauer is to become a Member of the Executive Board and new CFO of Porr AG with effect from 1 February 2018. Andreas Sauer will succeed Christian Benedict Maier, who resigned as of 31 December 2017. Andreas Sauer brings to Porr extensive experience in integration, transformation and project management. He started his career at Deutsche Bahn before going on to management positions at Stinnes, Schenker and Infineon. His most recent post was as CFO of the operating business of Nokia Mobile Networks.

Larry Young

Larry Young has been appointed Head of BNP Paribas Real Estate's International Investment Group, reporting directly to Thierry Laroue-Pont, CEO of BNP Paribas Real Estate. Larry Young takes over from Etienne Prongué, Deputy CEO of BNP Paribas Real Estate UK since September 1, 2017. Larry Young started his career in 1999 at Cazenove in London, before joining ING Barings Securities in 2000. Two years later he changed to CBRE in London, in 2003 to CBRE Paris and in 2014 to BNP Paribas Real Estate Transaction France as Director International Investment. Larry Young has a BA in Political Science and a Masters in Real Estate Law and Valuation. He obtained his RICS qualification in France in 2004.

LETTINGS

ASTRUM BUSINESS PARK, WARSAW — POLAND

Lionbridge Poland has leased 3,000 square metres of office space in Astrum Business Park office complex in Warsaw. JLL advised Lionbridge on the negotiation of lease terms. Astrum Business Park is located on the crossroads of Aleje Jerozolimskie and Łopuszczanska Street in close proximity to Warszawa Raków – a station on the Warsaw Commuter Railway line – and in the vicinity of numerous exit routes linking Warsaw to Kraków, Katowice, Kielce and Łódz.

CENTRUM MARSZAŁKOWSKA, WARSAW — POLAND

Spaces, offering solutions in flexible workplaces and co-working, has leased 4,200 square metres of office space in Centrum Marszałkowska in Warsaw. JLL advised Spaces on the process of negotiating lease terms. Baker & McKenzie supported the company in all legal aspects. The developer of Centrum Marszałkowska – BBI Development – was represented by CBRE and Markowska-Materla law firm. Centrum Marszałkowska is an office and retail project located on the crossroads of Marszałkowska and Swietokrzyska Streets. The building will be developed in place of the Sezam Department Store. Part of the complex consists of an urban passage renovated by the investor. Centrum Marszałkowska will offer over 13,500 square metres of office space and approximately 3,000 square metres of retail space.

D48, WARSAW — POLAND

Gemius SA, a research organization that is measuring internet users' behaviour, leased more than 1,800 square metres in the D48 office building in Warsaw's Mokotów district. During the lease transaction Gemius S.A. was represented by BNP Paribas Real Estate Poland. D48 offers a total of 26,000 square metres of leasable space. Construction of the building owned by Penta Investment started in December 2015 and it was completed in August 2017.

GENERATION PARK, WARSAW — POLAND

Citi Service Center Poland is expanding its space at Generation Park in Warsaw, signing on to another 5,200 square metres in the scheme's Building X. Citi now leases nearly 19,000 square metres at the park. C&W represented Citi during the lease negotiation. Generation Park is being developed by Skanska in close proximity to the Rondo Daszynskiego roundabout. The project will feature three buildings with a total of 84,000 square metres of office and retail space.

VILLA METRO, WARSAW — POLAND

Regus has leased approximately 950 square metres of office space in Villa Metro building in Warsaw's Mokotów district. Located at 145 Puławska Street, in close proximity to Wilanowska metro station, Villa Metro is offering a total of 6,900 square metres of office space. JLL advised Regus on the negotiation of lease terms. The landlord - Blue City Sp. z o.o. – was represented by CBRE.

SYMETRIS BUSINESS PARK, ŁÓDZ — POLAND

ZF, one of the largest suppliers in the automotive industry, has opened its Electronics Engineering Centre that occupies 2,300 square metres of office space in the Symetris Business Park in Łódz. Symetris Business Park is an office complex which consists of two buildings with a combined leasable area of 19,000 square metres. Located on Piłsudskiego Avenue Park, Symetris Business Park has been developed by Echo Investment and is currently included in the portfolio of EPP.

BUSINESS GARDEN, POZNAN — POLAND

Provident Poland has leased 680 square metres at the Business Garden office complex in Poznan. Provident was represented by Colliers International during the lease process. When completed, Business Garden Poznan will offer a total of 88,000 square metres of office and service space in nine buildings. The first phase of the investment, comprising four office buildings, totalling 42,000 square metres, was delivered in 2015. The second phase, including five office buildings totalling 46,000 square metres, is scheduled for delivery at the end of 2018.

AFI TECH PARK, BUCHAREST — ROMANIA

AFI Europe Romania has signed the first lease agreement for AFI Tech Park: World Class Romania, a leader on the Romanian health & fitness field, will be the first tenant of the campus, by leasing 1,500 square metres spread on the ground floor and the first floor of AFI Tech Park 1. The lease contract was signed for a period of 10 years. AFI Tech Park is developed in the proximity of the JW Marriott Hotel and the Romanian Parliament and will offer 56,000 square metres of gross leasing office area, comprising of two office buildings with eight storeys and one office tower of 14 floors. The first office building, AFI Tech Park 1, will open in Q2 2018, offering 20,000 square metres of office space and 2,000 square metres of retail area. The investment for the first phase of AFI Tech Park is over EUR 30 million.

CITY OFFICES, BUCHAREST — ROMANIA

PPT Preturi Pentru Tine, the largest Romanian clothing and footwear retailer, moved to the City Offices office building, part of the Globalworth portfolio. The leasing of the 1,700 square metres was coordinated by real estate consultancy Griffes. City Offices, the new headquarters of PPT, is a multi-purpose building located at the intersection between Oltenitei and Giurgiului Streets. Initially designed as a shopping centre, the two connected office buildings that make up City Offices have been transformed to include office and commercial spaces following a major renovation process completed in late 2014.

WEST GATE, BUCHAREST — ROMANIA

Alpha Bank extended its lease at West Gate in Bucharest by another eight years. Alpha Bank has been operating at West Gate since 2008 and currently occupies 7,700 square metres in the office park, which is owned by Genesis Property. Located in the capital's Militari neighbourhood, the scheme offers 75,000 square metres of leasable space in five buildings.

ROMANIA ON THE UPSWING WITH POTENTIAL TURBULENCES

Economy in Romania is booming. A clear sign is the strong construction activity not only in Bucharest, but all over the country.

Romania is currently – not only in CEE/SEE – one of the front-runners regarding economic growth. That is accompanied by an increasing interest of international investors in the country that for a long time has been more or less on the sideline. As pleasing the current situation is, also in Romania there is no rose without a thorn.

Since some years Romania's economy is showing a steady growth and every year growth has accelerated. Already forecasts for 2017 spoke about some 5 per cent – following 4.8 per cent in 2016. However, in the third quarter of 2017 Romania outperformed the forecast rate by 3 per cent – the economic growth has increased to 8.6 per cent. In other words: Romania's economy is booming and the country is showing the strongest growth of all CEE/SEE countries.

It is not only, but mainly the industrial sector that contributes to the boom. Whether the automotive industry or electrical engineering, whether petrochemistry or IT, all these sectors are experiencing a substantial growth. Romania is and remains a sought-after location especially for producing companies because wages are still low, while the level of education is often relatively high.

With the expansion of the industrial sector unemployment is decreasing and demand for labour force is often higher than the potential supply. Therefore wages are increasing mainly in sectors where labour force is becoming scarce. That is true for the automotive industry, for electrical engineering and mainly for the IT sector. At least by this development many a migrant labourer could consider to return to Romania.

That Romania is booming is also proved by the increased interest of international investors and developers in the country. It is to notice not only by the great number of tower cranes rotating over the capital

Timisoara and Brasov are examples for an increased interest in regional cities.

city of Bucharest, but also by the number of news about development projects and transactions in Romania. For many years, only 'specialists' for emerging countries like AFI or NEPI have been active in Romania, now are appearing new names like Atterbury, Globalworth and Rockcastle or CTP and CPI, two developers originally from the Czech Republic but in recent times increasingly active also in Romania.

According to JLL, in the first half of 2017 transaction volume in CEE/SEE amounted to EUR 5.6 billion, of which EUR 485 million have been allotted to Romania – nearly 44 per cent more than in the same period of the previous year. At the end of the third quarter 2017 investment volume in Romania reached EUR 610 million, a result still clearly above the respective figure of 2016 (EUR 423 million).

It is also to notice that investor's interest is no longer focussed only on Bucharest. The capital city is still the most important market for office developments and office investments, but meanwhile there are to state office transactions also in regional cities. A prominent example is the acquisition of Coresi Business Park in Brasov by Immochan last year.

Or the Romanian Iulius Group, so far specialised in shopping centres: in summer 2017 they formed a joint venture with Atterbury to develop the mixed-use project Openville in Timisoara that besides a mall also comprises office buildings and a congress hall. Of the planned four office buildings two are already completed offering a total of 31,000 square metres, and the third one is scheduled to be opened this year. May be that step-by-step a development similar to what we have seen in Poland is gaining momentum. The size of the country and its structure are at least favouring the development of regional markets.

Both the mentioned examples – Coresi Business Park in Brasov and Openville in Timisoara – are showing two trends gaining more and more ground in Romania. Increasingly and mainly bigger projects are planned and developed for mixed use. Often the combination is office and retail but there is also to see the mix of commercial and residential areas.

Indeed, Coresi Business Park is a pure office park albeit with adjacent residential developments and retail facilities, but what catches the eyes is the mixture of new buildings and the conversion of a former production building.

Refurbishment and revitalisation are also the keywords on the top of this year's conference "Cities of Tomorrow" organised by the German-Romanian Chamber of Commerce and Industry (AHK Rumänien) and taking place at 27 February 2018 in the JW Marriott Grand Hotel in Bucharest.

Because not only in Brasov, but in many other Romanian cities as well there are large industrial areas, often relatively centrally located and derelict after the break-down of the industry with the fall of the Iron Curtain. Instead of using these areas there have been developed new commercial facilities often in the periphery of cities with the result that cities are increasingly sprawling into the urban hinterland. To enlarge a city from inside by redeveloping the former industrial areas and to revitalise dead spots – mostly not only 'spots' but quite large parts of a city – is more or less a recent development but increasingly attracting interest among Romanian urban planners and developers as well.

Still retail properties are the most favoured investment assets, followed by office buildings and industrial real estate. Mainly logistics properties are the flavour of the season.

With growing income purchasing power is increasing and further supporting the economic growth. Not only industrial production, also retail sales have gone up by some 8 per cent. The increase of production as well as of consumer spending boosts the demand for industrial and logistics facilities. Mainly around Bucharest the logistics market is booming and the respective facilities and projects are springing up like mushrooms.

However, one of the main challenges for logistics in Romania is and remains the suboptimal network of motorways and expressways – to the West it is already partly acceptable, but in general its development is stuck. Although improvement of transport infrastructure is subsidised by the EU, from a planned total length of motorways of about 2,700 kilometres only 750 kilometres are completed and further 223 kilometres are currently under construction.

The development of the motorway network leaves still a lot to be desired.

Derelict industrial areas are offering opportunities for large-scale redevelopments.

As positive the economic development of Romania is, what is missing is a politically reliable environment. The governing party PSD has won the election in December 2016, not at least by promises to lower the value-added tax and to augment minimum wages and pensions. These 'gifts' are additionally fuelling the current boom. Instead of establishing financial reserves for times when the economy is weakening again, the Romanian government is pursuing expansionary fiscal policy increasing the national debt with the risk that rather sooner than later the EU will start a deficit procedure because the new indebtedness of Romania will surpass the limit of three per cent of the country's GDP.

A second concern is the attempt of the government to restrict the competences of the National Anticorruption Prosecution Office and to put it under political influence by a judicial reform mainly to impede prosecution and sentencing of corruption. Because many of the PSD politicians holding high-ranking positions in municipalities, counties and regions as well as in the national government have to face prosecution by the National Anticorruption Prosecution Office and therefore to fear the loss of their position. With the attempt of politicians to influence jurisdiction Romania is following the negative example of Poland. However, the government in Bucharest should also see the consequences of this intervention in the independence of the judiciary. The separation of powers and the independence of the judiciary are a 'conditio sine qua non' for EU member states and therefore not negotiable.

Transformation is for all involved a difficult and often painful process and does not automatically lead into the consolidation of market economy and democracy. That there a setbacks behind levels already reached is currently to observe in many of the EU member states in CEE/SEE. But also the established Western democracies are not spared by nationalistic and populist trends. A positive sign in Romania, however, are the strong street protests of people against a policy aiming to cut back on democratic achievements.

This year Romania is celebrating the 100th anniversary of the transfer of Banat and Transylvania from Hungary to Romania and therefore the 'birthday' of today's country. That should give the opportunity to look back as well as into the future and to do some things better than in the past. But as Ingeborg Bachmann stated more than 60 years ago: "History is teaching constantly. But it does not find students." I Marianne Schulze

LONG LIFE FOR THE SHOP!

In Germany transaction volume for retail property is again reaching top results – despite all prophecies of doom due to online shopping. Furthermore there are some new trends to notice.

It is nearly impossible to keep an overview of the multitude of publications about the impact of the internet on stationary retail. And as well the topic is on the agenda of nearly every conference or congress about retail. Some already forecast that sales in traditional shops have their best times behind them and have to expect only their end. But they are wrong.

In 2017 only in Germany the transactions in retail property amounted to EUR 12 billion, stated Colliers International. For the retail segment that is one of the strongest results of the last ten years. Whether single retail properties or – as mostly – retail portfolios, the figure proves that buyers are confident that retail property will continue to generate yields. Following investments in office real estate retail property is on the second place in investor's favour. That is true not only in Germany, but as well in many other countries. And in some like Czech Republic transactions in retail property outperform even those in office real estate.

The third place in Germany is occupied by logistics facilities. With a transaction volume of EUR 8.7 billion in 2017 industrial and logistics real estate reached a new record. Their market share is meanwhile at 15 per cent. This is a trend that is similar to observe in nearly all other countries.

Of course, the boom in logistics real estate is a consequence of the increasing number of online orders. One can order 24 hours every day and the products are delivered directly from the warehouse to the customer. In this respect the real estate investments reflect the situation of retail: shops remain important, even when the sales channel internet is significantly gaining importance. Some years ago a representative of a big international retail chain forecast: "Logistics real estate will be the shopping centre of the future." That's not how it is. In fact, the physical presence of shops needs to be complemented more and more by digital offers, but looking at the transactions volumes of retail property the attractiveness of shops is beyond question.

The food court in the recently opened shopping centre 'Loom' in Bielefeld

Retail includes a broad range of different concepts and that is also true for retail real estate. The general term 'retail property' is to divide into shopping centres, into big box retail and retail parks, into pure retail facilities and into retail areas in mixed-use buildings. Furthermore there are differences between locations and the offered products, the respective country and its general level of development, between demand and supply, and not at least it is about the size of retail areas and achievable rents. Not really a simple topic. Therefore this article will focus on some more general trends as they are to notice in a highly developed market like Germany. Countries that started later to implement modern retail real estate are on an earlier level.

In Germany nearly no new shopping centres are to be built. Already since some years the boom in shopping centre construction finished. While in former times ECE, specialist in shopping centre development, announced one opening after the next, in 2017 only one centre was delivered to the market: the 'Loom' in Bielefeld. That says a lot about the level of saturation in the market. However, 'Loom' is worth a closer look because it demonstrates in three respects what is currently decisive for retail real estate. Nearly 10 per cent of the 26,000 square metres of retail area are dedicated to gastronomy that includes also a food court with more than 300 seats on a common area for the surrounding restaurants. Another aspect is that the shopping centre was developed on the site of the former City Passage shopping centre from the 1970s. So 'Loom' revives a traditional shopping destination in the city. And last but not least the location: the city of Bielefeld. To summarize the characteristics it means: to offer more than only retail areas, to link to the local identity, to (re-)develop traditional retail locations and to focus on cities smaller than those with at least one million inhabitants or otherwise prominent cities. Bielefeld has only some 330,000 inhabitants, but a large catchment area.

Significantly smaller in size than Bielefeld are cities like Husum and Hof: Husum with around 22,000 inhabitants is a city in the north of Germany, Hof with some 45,000 inhabitants is located in

Whether Hof or Husum – despite all geographic differences the new shopping centres have a lot in common.

the southeast of the country. Both, Husum and Hof, are cities on the edge of the country: the distance to the Danish border and the Czech border respectively is less than to the next big cities Hamburg and Nuremberg. However, both cities have a high centrality rate and both, they have in common that currently in the city centres shopping centres are to be developed. Also these shopping centres are showing remarkable similarities: with approximately 12,000 square metres they offer the same retail area, and in both centres Edeka is the anchor tenant. But there is still more to mention: in Husum the 'Husum Shopping Center' is developed on the site of a former Hertie department store; in Hof the area of the new 'Hof-Galerie' was occupied by a retail facility named 'Zentralkauf' (Central Shopping), a name that pointed to the nearby local bus terminal. That means that in Hof and Husum as well traditional retail destinations are redeveloped.

Investor of 'Hof-Galerie' is the Luxembourg Investment Group LIG S.A. Regarding retail investments the company is focussed on small and medium-sized towns. Besides inner-city shopping centres the portfolio of the still young company also comprises a retail park in Wittlich in Rhineland-Palatinate and in the same state in Trier-Pfalzel a big box format with 'Netto' as tenant to improve supply in a city quarter where had been no grocery since 15 years. And recently – in August 2017 – LIG in a joint venture with Mitiska REIM acquired a retail park in Mönchengladbach. The park is located in the direct neighbourhood of the Central Station and will be repositioned. Mitiska REIM is a private company based in Brussels and specialised in real estate investments and fund management. Together with local or regional joint venture partners they are investing exclusively in big box formats and retail parks in Western, Central and Eastern Europe.

According to Colliers International bix box formats and retail parks are dominating the transaction market in Germany. Last year 47 per cent of the capital invested in retail real estate were allocated to these assets. In comparison with the 27 per cent share allocated in shopping centres the difference is significant. And with 26 per cent investments in inner-city commercial properties were clearly lower than investments in big boxes and retail parks. Deals with inner-city commercial properties were often the biggest ones and rather spectacular investments, however, looking at retail property transactions as a whole, the main interest is on big box formats and retail parks. As Colliers International states one of the reasons is the attractiveness of tenants especially grocery chains that have still little competition by the internet. If there is also value-add potential in these retail facilities then this is a further advantage.

This trend means going back to basics, and that in a double sense: on the one hand investments in real estate in which groceries, the traditional and perhaps the most ancient form of retail, are offered; on the other hand investments in existing buildings with the opportunity to add value by redevelopment.

Looking at the activities of ECE they are showing the same. The current emphasis on food courts is also linked with eatables and most of the activities regarding shopping centres are no longer new developments but more or less a 'rejuvenation' of existing shopping centres, food court included.

The redevelopment of existing stock as well as the replacement of out-of-date consumer's meccas of the last century is offering not only economically new opportunities, it is also ecologically reasonable. Because these buildings are always improved also in respect of energy savings.

Developments in smaller towns and the fact that big boxes and retail parks are nearly everywhere or at least in demand is showing another trend. Since long investors and developers of shopping centres and retail parks are not only focussed on the big cities, quite the contrary: they often avoid these location. That can help cities and towns where in the past little happened. Not only for the benefit of developers, investors and retailers, but also for the vitality and liveliness of cities and as an attraction for citizens there is to say: long life for the shop! I Andreas Schiller

OSLO – EUROPE'S FIRST CAR-FREE INNER CITY

Bjørvika, the redeveloped harbour area of Oslo, is one of the reasons, why every day 90,000 people are entering the city centre.

The Nordic countries have always ecologically outperformed other European countries. So the Nordics are one step ahead with the challenge of individual traffic in cities. The biggest step is doing Oslo where from 2019 on the inner city will be only for pedestrians and cyclists – cars will be no longer allowed to enter the city.

All cities are groaning with the permanently increasing car traffic. The quality of air in inner cities is low, the noise level high, and the often cited mobility is changing more and more into immobility because during rush hours all are caught up in traffic jams. Nevertheless, especially in Germany discussions about car bans or even only a reduction of individual car traffic in cities are often fierce and charged with emotions. Many feel restricted in freedom when in inner cities they are no longer allowed to drive by car from A to B, not to mention all the commuters living outside the city and driving every morning into the city and returning home in the evening. Those who live in the city are therefore stressed and warning is increasing that the implications of the traffic can be harmful to health.

There are many attempts to limit the traffic in inner cities – from traffic-calmed areas to the introduction of inner-city tolls and traffic free days. That all is at the best reducing the traffic and/or creating at least certain zones or certain times when pedestrians can walk through the inner city without being disturbed by cars.

The first city in Europe planning to ban traffic completely from the city centre is Oslo. The driving force behind this plan is Oslo's Vice-Mayor Lan Marie Nguyen Berg, Member of the Norwegian Green Party and formerly active in the Center for International Climate Research CICERO in Oslo.

Up to 2020 Oslo wants to reduce the whole traffic in the city by 20 per cent and up to 2030 by 30 per cent. And from 2019 on cars will be completely banned from the two square kilometres of the city centre – with exceptions only for delivery vehicles and taxis as well as for handicapped people and the inhabitants of the city centre. And because Norway is also one of the forerunners in e-mobility in Europe, in the longer term also the exceptions will be granted only for electric vehicles.

Oslo's city centre has some 1,000 inhabitants, but 90,000 people are working here. It is easy to imagine the daily invasion, even taking into account that the majority is already using the public transport system. Of course, also in Oslo the usual discussions about such a rigorous ban of cars in the city centre took place. Mainly the retailers protested fearing of the attractiveness of the city for shoppers. But already today it is only a very small number of people entering the city centre by car with the aim to go shopping. The majority is already using the public transport system. And a city centre which is offering an improved quality of air and less noise, where a visit is a real pleasure, will attract even more people than today.

The automotive city was a concept of the 20th century and is outworn since long. However, away from the pedestrian zones most of the city centres are not really inviting to a longer stay, quite the contrary: cars are whooshing from all directions, air is polluted, it is noisy and the quality of sojourn is often to trigger an escape reflex.

Why do we like to stay in historical city centres like in Rothenburg ob der Tauber in Germany or in San Gimignano, Florence and Siena in Italy, where only a very limited number of cars are allowed to enter? Because as pedestrians we can stroll around untroubled and sit down somewhere without being disturbed by traffic and traffic noise. Cycling is 'in' but in most of the city centres this way of locomotion is not without risk even if the construction of cycle paths is often mentioned as one of the noble aims. One of the cities where cycling is really easy-going is Copenhagen where cyclists have priority over car traffic. The consequence is that many people are using this eco-friendly vehicle to move in the Danish capital city.

But it is not only about air, less noise and climate change targets, as well it is about the quality of life in cities today and in the long term. To avoid misinterpretations: the author of this article is not hostile towards cars, but herself an enthusiastic car driver. Often the decision to go by car or not is a question of the offer of alternatives. A functioning public transportation system is therefore one of the decisive preconditions to reduce individual traffic in (inner) cities. So also in Oslo the already well organised public transportation system will be further enlarged and improved. This year self-driving minibuses will be established to serve the outskirts of the city: they can be ordered via an app and will pick up people directly at home or bring them back there.

A similar concept is followed by the Finnish capital: up to 2025 Helsinki wants to make the use of private cars in the city unnecessary. Again it is a young lady, the traffic planner Sonja Heikkilä who elaborated the concept of "Mobility as a Service". Via an app comprising all the transport possibilities in the city one can choose whether besides metro, trains, trams and busses a (rental) bike, a taxi or a shared car is the most efficient and convenient way to move – and all means can be payed via the same app. In this case traffic will be reduced not by a ban but by an offer so comfortable that the private car will loose all its advantages.

Self-driving minibuses like this one in Helsinki are offering individual transport solutions.

Of course, that means high investments in the public traffic system, but these investments pay off in the medium and long term. Already in 2007 Stockholm introduced a city toll and has therefore extended the public traffic system. Only the establishment of the toll system required an investment of EUR 200 million. However, already during the test phase nearly the half of this investment in the toll system has amortized. And if Stockholm should have enlarged the road system instead of improving the public transport it would have required even higher investments, as Gunnar Söderholm, Head of Department for Environment and health in Stockholm's Town Hall, emphasized in a recent interview.

By reducing the car traffic cities could benefit also from something else. Property in cities is expensive but we allow ourselves the luxury of using it for car parks instead of urgently needed housing. Also many streets in the city are offering a lay-by for cars with the result that footpaths are more or less small. And a pedestrian who wants to 'park', i.e. to sit down somewhere for a moment, does rarely find any possibility to do so if there is no park with banks in the surrounding. Speaking of parks: how many trees have fallen prey to the expansion of roads for cars in the past? For more green in the city the car-free areas are offering potential and this green would further help to improve the quality of air in the inner cities.

Personally I wish Oslo on its way to the first car-free inner city of Europe all the best and a successful implementation. We all are suffering from the traffic in cities, but only some politicians and those responsible for the development of a city seem to have enough courage to start the – admittedly not easy – discussion about the urgently needed reduction of individual traffic. Perhaps they should talk to their colleagues in the Nordics – they also had to fight with resistance in the beginning, but when people realise that there are other possibilities of transportation and how pleasing a city is when the number of cars is significantly reduced then most of the resistance is dwindling. As the 20th century has been the century of cars, so perhaps once the 21st century will be characterised by making the 'tinny symbionts' to a large extent unnecessary. I Marianne Schulze

FOR YOUR PLANNING

When	Where about	Where	For information and regsitration
27. February 2018	Conference: „Cities of Tomorrow"	JW Marriott Hotel, Calea 13 Septembrie, 90 Bucharest, Romania	www.rumaenien.ahk.de
1. March 2018	Bratislava Property Forum	Radisson Blu Carlton Hotel, Hviezdoslavovo nam 3, Bratislava, Slovakia	www.property-forum.eu
13.–16. March 2018	Mipim The World's Leading Property Market	Palais des Festivals, Cannes, France	www.mipim.com
29. March 2018	CEE Property Forum Bucharest	Radisson Blu Hotel, Calea Victoriei 63-81, Bucharest, Romania	www.property-forum.eu
4. – 6. April 2018	Real Corp 2018: Expanding Cities – Diminishing Space	TU Wien, Karlsplatz 13, Vienna, Austria	www.corp.at
23. – 24.May 2018	RealConnect CEE Property & Investment Fair	Warsaw Expo XXI, Pradzynskiego 12/14, Warsaw, Poland	www.realconnect.pl
27.–30. June 2018	ERES 25th Annual Conference	Real Estate & Planning, Henley Business School, University of Reading, Reading, UK	www.eres.org

MASTER OF COMMUNICATION

It does not happen too often that the owner of a real estate company and an exhibition corporation are jointly sponsoring the publication of a book. It were Lutz Aengevelt, Managing Partner of Aengevelt Immobilien, based in Düsseldorf, and Messe Düsseldorf that enabled the translation, printing and the presentation of *Meine Botschaft: Ungeschminkte Erinnerungen eines russischen Diplomaten* (My Message: Unadorned Memories of a Russian Diplomat – the German word 'Botschaft' has a double meaning as 'message' and 'embassy') by Jewgeni Schmagin. Published in Russian already in 2015, the German version followed last year.

As well it does not happen too often that a Russian diplomat is writing about his professional life in Germany. From 2010 to 2015 Jewgeni Schmagin has been Consul General of the Russian Federation in Bonn. It was the last step in his professional career before retiring. He started in 1972 and long before 2010 he has been in Bonn when the today's consulate had been the Embassy of the Russian Federation, and later on he was also in Berlin. The German title sounds a bit lurid against the Russian original – it can be translated in 'Jogging on the paths of the Ministry of Foreign Affairs' – but the book is worthwhile reading. Jewgeni Schmagin is offering not only personal memories of his diplomatic career, in fact, his biography is also a document of contemporary history of the Russian-German relationship. Since the 1970s this relationship experienced some changes. Recently the situation has become again more difficult.

Still more interesting to read is about the many personal impressions and his ways to see certain things and developments. Here Jewgeni Schmagin can draw on plentiful resources. It was Wolfgang Clement, former Minister President of the state North Rhine-Westphalia and former Federal Minister for Economic Affairs, who wrote in the foreword of the book: "Among the Russian diplomats he was for sure the most active." As Consul General in Bonn Jewgeni Schmagin proved to be a master of communication and succeeded in the opening of the former embassy always a bit dismissive towards outsiders and enabled many meetings of Germans and Russians. Not only representatives of companies and regions, musicians and other artists, but as well many representatives of twin cities and of the German-Russian associations, i. e. members of the civil society met in Bonn during his term. He was constructing bridges and taking down obstacles.

In one of his speeches in Bonn – of course, in German – Jewgeni Schmagin cited from Dostoyevsky's *The Brothers Karamazov* the phrase of the "holy memory" that will remain. That is also true for him. His own memories are characterised by a great openness and contribute to the difficult field of international understanding. With many very personal impressions and ways to see it, with humour and engagement, but as well with critical reflections – less due to the wisdom of old age, but due to his personality.

Jewgeni Schmagin
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