

SPH newsletter

news

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special

Next Expo Real is just around the corner. Again a record number of exhibitors and participants becomes apparent.

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background

Regarding real estate investment market institutional investors are often mentioned. So, who are they?

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best practise

The last summer proved the high value of water also in alleged water-rich regions. Ideas to save water and to gain it from different sources are more important than ever.

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DEAR READERS!



From 8. to 10. October 2018, in Munich the meanwhile 21st International Trade Fair of Property and Investment takes place. Since the first issue of the event Marianne Schulze and I have been present at the fair, also some of you and in the course of time not all, but a great many of recipients of SPH Newsletter became regular participants. Last year, Expo Real recorded 2,003 companies, cities, regions and organisation as exhibitors and a total of 41,775 participants. Similar numbers are to be expected this year.

The meanwhile biggest meeting event of the property industry is offering not only exhibitor stands in six halls, but also a comprehensive conference programme. Only in the now eight Forums more than 100 discussions take place – exhibitors' events not included. I will moderate four panels discussions: one about revitalisation projects in CEE/SEE, another about Romania as an investment location, but also one about Airport Cities, and another about "Investing in India". Furthermore, there are some other events with interesting topics on my agenda.

We are looking forward seeing many of you, dear readers, at Expo Real. As well we are curious about new acquaintances. For now, it remains only to wish all taking part in Expo Real the best for the final spurt of preparation and a successful participation in the fair. See you soon in Munich!

Yours,

Andreas Schiller

Q 19



Shopping Center
Vienna, Austria

Warsaw Spire



Office Building
Warsaw, Poland

61 Ninth Avenue



Mixed-use Building
New York, USA

SXB Südkreuz



Office Development
Berlin, Germany

Upper Zeil



Retail
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Mill Park is still under construction, but will be completed within a short time. The project has been acquired by a real estate fund of the Hungarian subsidiary of Erste Asset Management.

SKANSKA SELLS MILL PARK OFFICE PROJECT IN BUDAPEST

Skanska sold Mill Park, a two-building office project in Budapest, to the real estate fund of Erste Alapkezelő Zrt., a subsidiary of Erste Asset Management GmbH, for EUR 100 million.

The Mill Park complex is located in the 9th district of Budapest. The property comprises of two office buildings with a total leasable area of about 36,000 square metres. The complex will be completed in the third quarter of 2018.

WARSAW'S ATRIUM TOWER CHANGES HANDS

After almost two decades AEW Europe decided to sell Atrium Tower office building located in Warsaw. The new owner of the property is VIG Fund, the real estate investment vehicle of Vienna Insurance Group (VIG). Real estate advisor Savills represented AEW Europe in the transaction.

Atrium Tower is an office building located within Warsaw's inner city on Jana Pawła II 25 Avenue. The property was constructed by Skanska Property in 1997 and sold to AEW Europe in 2001. The building offers over 11,500 square metres of office space.

DEDEMAN IS NEW OWNER OF THE BRIDGE IN BUCHAREST

Forte Partners has signed the full sale of the office project The Bridge in Bucharest to Dedeman Group. The Bridge consists of approximately 80,000 square metres of office space developed in three phases. The construction for the first building began in February 2016 and was finalized in Q3 2017. The second phase of The Bridge started in June 2017, with a completion target date in Q1 2019. The third and final phase of The Bridge is now in its conceptual stage.

AMUNDI ACQUIRES POLYGON OFFICE BUILDING IN PRAGUE

Amundi Czech Republic, acting on behalf of its KB realitní fond 2, has completed the acquisition of the company holding the Polygon office building in Prague. The seller was Mint Investment. Cushman & Wakefield facilitated the transaction. The purchase price was not disclosed.

Polygon is an office scheme with the shape of a ship situated in the office area in Pankrac district. The property offers over 10,000 square metres of office space across eight levels, and benefits from easy access to public transport.



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Ibis Styles Erbas in Bucharest is the second hotel of this brand in Romania. It is located in the northern part of the city near Baneasa airport.

IBIS STYLES ERBAS IN BUCHAREST OPENED

Orbis has opened an Ibis Styles hotel on 27 Capitan Alexandru Serbanescu Street in northern Bucharest's Aviatei district. It is the Polish hotel operator's second Ibis Styles location in Romania. The hotel features 80 guest rooms as well as a restaurant, conference room, business lounge and bar.

The property was rebranded from Hotel Erbas. It is owned by the Erbasu family, which also own one of the biggest construction companies in Romania. Orbis opened its first Ibis Styles hotel in Romania earlier this year in Arad. Altogether the group operates four Ibis hotels in Romania.

WARBURG-HIH ACQUIRES OFFICE BUILDING IN WROCŁAW

Warburg-HIH Invest Real Estate acquired the Sagittarius Business House in Wrocław on behalf of an individual fund it manages for an institutional investor. The property was sold by the Polish property developer Echo Investment. The building has a gross lettable area of around 25,600 square metres and is located in the CBD of the city. The purchase price is approximately EUR 73 million.

TREI REAL ESTATE OPENS ITS NINTH VENDO PARK IN POLAND

Trei Real Estate GmbH (Trei) is further expanding its Polish retail portfolio: The real estate subsidiary of the Tengelmann Group has opened its ninth Polish retail park under the Vendo Park brand in Chodzież. The new retail park offers 4,150 square metres of rental space. The total investments in Chodzież amount to EUR 5.7 million.

RADISSON TO OPEN NEW HOTEL IN GDANSK

Radisson Hospitality AB announced the signing of the Radisson Hotel & Suites in Gdansk. In March 2018, the group announced its plan to rollout Radisson, the upscale hotel brand, across EMEA – and this is the first hotel to open in Central & Eastern Europe.

The Radisson Hotel & Suites Gdansk will be centrally located on Granary Island and is part of the Deo Plaza project, a building complex that will feature a hotel, residential apartments and host a wide range of shops and restaurants. Due to open in Q4 2018, the new-build hotel will feature 142 guest rooms and suites. A second phase, scheduled for opening in April 2019, will bring the hotel's accommodation to 350 rooms and suites.



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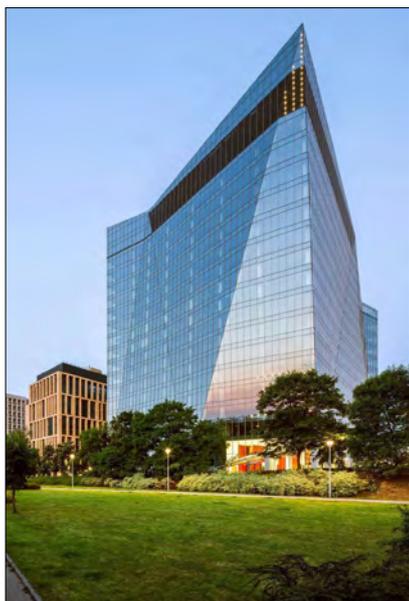
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stand 142.



The four office buildings of Gdanski Business Center in Warsaw are now completely owned by a global pension fund.

HB REAVIS SELLS GDANSKI BUSINESS CENTER II

HB Reavis has sold two Warsaw office buildings to Savills Investment Management who acted on behalf of a global pension fund client. Offering 53,000 square metres the buildings C and D are part of Gdanski Business Center scheme, now entirely owned by the global pension fund.

Completed in 2016, Gdanski Business Center consists of four office buildings. The first two buildings totalling 48,000 square metres were sold in December 2016 for EUR 186 million, also to Savills IM on behalf of the same client.

OTP FUND BUYS MOM PARK IN BUDAPEST

OTP Real Estate Investment Fund acquired MOM Park, a 50,000 square metre shopping mall and office property in Budapest from a consortium of a fund managed by Morgan Stanley Real Estate Investing, Hungarian developer and investor Wing and Austrian shopping centre specialist CC Real. MOM Park comprises 17,500 square metres of office space and 30 000 square metres of retail space.

MERCURE SIBIU AIRPORT TO OPEN IN 1Q 2019

Orbis Hotel Group has signed a franchise agreement for a Mercure hotel in Sibiu with its local partner and investor, Pritax Invest.

Following its renovation, the existing Ana Airport Hotel will join the international Mercure network in 1Q 2019, offering 85 rooms, bar, restaurant, wellness, banqueting and parking facilities. The hotel is situated near the airport and very close to the industrial zone of Sibiu.

COMMERZ REAL SELLS MBANK BUILDINGS IN WARSAW

Commerz Real's CFB 148 closed-end real estate fund has sold the Senatorska office building in Warsaw to international property developers S+B Group, based in Vienna, for a total of EUR 50 million.

S+B Gruppe aims to refurbish and upgrade the asset, which comprises two buildings located opposite the National Theatre in Warsaw. The real estate consists of approximately 17,000 square metres of floor space. It is currently leased to Polish mBank until 2020.



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Megapark Sofia, with 70,000 square metres space, is one of the biggest office buildings in the Bulgarian capital. It was acquired by Lion's Head Investments, a joint venture between South African investment fund Old Mutual Property and Bulgarian company AG Capital.

MEGAPARK SOFIA OFFICE BUILDING CHANGES HANDS

A joint venture of Vienna-based developer Robul, specialised in CEE, CA Immo and Universale International Realitäten GmbH has closed the sale of Megapark in Sofia. With 70,000 square metres Megapark is one of the biggest office buildings in the Bulgarian capital. It was purchased by Lion's Head Investments, a joint-venture between South African investment fund Old Mutual Property and AG Capital. The purchase price has not been disclosed.

Megapark, located on Tsarigradsko Chaussee, the main artery from the airport to the city centre of Sofia, has been completed in 2010.

ADAM EUROPE ACQUIRES ROMANIAN OFFICE PORTFOLIO

Adam Europe acquired the Romanian office portfolio of East Balkan Properties. The portfolio consists in four buildings with a total area of 9,047 square metres, situated in strategic locations in Bucharest.

The four buildings are: Airport Smart Offices in the immediate vicinity of Henri Coanda Airport; Domenii Offices located in the northwest area – near the Exhibition Area; Jules Michelet Office Building near the centre of Bucharest, in the historical part of the Romana Square; and Casa Mosilor Office Building located between Universitate and Piata Unirii metro stations.

ERSTE REAL ESTATE FUND ACQUIRES PROMENADE GARDENS IN BUDAPEST

Promenade Gardens, the recently completed office building located on the Váci Corridor, changed hands, when Erste Real Estate Fund purchased the property from the developer, Budapest-based Horizon Development. Promenade Gardens is a large-scale office scheme of 25,000 square metres completed in 2017.

NEUES IBIS STYLES AM FLUGHAFEN VON BUKAREST

Orbis Hotel Group continues its expansion in Romania with the latest management agreement for an Ibis Styles hotel at Henri Coanda International Airport in Bucharest with its partner and investor, Liwa Properties S.R.L., a subsidiary of ABS Holdings.

The newly-built hotel, located in Otopeni on Calea Bucurestilor will offer 85 guest rooms, bar, restaurant and its own parking facility. The hotel is expected to be open in Q1 2019.

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STAFFING



left: David Hay
right: Maciej Madejak



left: Björn Mattsson
right: Sophie van Oosterom



left: Claus Thomas
right: Andrei Vacaru

David Hay has been named CEO of Morgan Stanley Real Estate Romania. David Hay stepped down as head of AFI Europe Romania, a division he ran for the past seven years, this spring. Morgan Stanley entered Romania this year when it took over AEW Europe in Romania. AEW Europe left the country after a decade of operation.

Maciej Madejak joined Panattoni Europe, as of 1 September 2018, taking up the position of Managing Director. Maciej Madejak has been involved in the real estate business for more than 20 years. He has gained his professional experience in the commercial property sector mainly through his work for industrial space developers – Goodman Poland, where he recently served as Head of Business Development Poland, and Prologis Poland Management, but also on the advisory side with Colliers International Poland.

Björn Mattsson has been appointed Business Unit President (BUP) of Skanska Residential Development Europe. He replaces Mikael Matts who will join the Management team of Skanska Sweden. Björn Mattsson has experience working in all three business streams: construction, commercial development and residential development. He joined Skanska in 1998 and has since then worked across many different countries including the Czech Republic, Finland, Norway and Sweden. He was also part of the team working to introduce Skanska Residential Development in Poland in 2011. Björn Mattsson is currently the Managing Director for Skanska Commercial Development Norway and Finland.

Sophie van Oosterom, CIO EMEA of CBRE Global Investors since 2015, has been promoted to CEO EMEA. She is also Member of the Global Executive Committee and Global Investment Committee and chairs the European Executive Committee and European Investment Committee. Sophie van Oosterom joined CBRE Global Investors in 2013 as Head of Special Programs. She began her real estate and finance career in 1996. Before joining CBRE Global Investors she was Managing Director and European Head of Asset Management of the Lehman Brothers Real Estate Partners private equity funds (now Silverpeak Real Estate Partners). Before that she worked in investment banking M&A advisory with JP Morgan and Barings. Sophie van Oosterom earned a Master's degree in Economics from the University of Amsterdam.

Claus Thomas will become the new CEO of BNP Paribas Real Estate Investment Management Germany, following in the footsteps of Reinhard Mattern, who will be leaving the position and ending his operative responsibilities following the expiration of his contract in early 2019. Claus Thomas began his career at JLL in the Capital Markets division in 1991. He then transferred to LaSalle Investment Management in 2000, where he spent the past 18 years growing the company's German branch. LaSalle Investment Management Kapitalverwaltungsgesellschaft was founded in 2010 and Claus Thomas initially held the position of Deputy Chairman of the Supervisory Board at the company, later becoming Managing Director in 2013. He also became a member of the European Management Board in 2009.

Andrei Vacaru has been promoted to Head of Capital Markets JLL Romania. Andrei Vacaru has over 13 years' experience in the Romanian real estate market. He joined JLL in May 2007 as Senior Consultant in the Retail Department. He then managed the JLL Retail team in Romania and, afterwards, the Research and Consultancy departments. In 2014 he joined the Capital Markets team of JLL Romania.

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LETTINGS

EQUATOR IV, WARSAW

POLAND 

Pramerica Zycie TUIR SA, operating in the insurance sector, will occupy 750 square metres on the 6th floor of Equator IV which is an investment project of Karimpol Group in the Equator Office Park at Aleje Jerozolimskie in Warsaw, and belongs, together with Equator II, to the company's portfolio. Equator IV is an office building with a total area of ca. 35,000 square metres.

MENNICA LEGACY TOWER, WARSAW

POLAND 

WeWork, flexible workspace provider, has become the sole tenant of office space in the Western Building of the Mennica Legacy Tower, an office complex being built by Golub GetHouse and Mennica Polska S.A. at the junction of Prosta and Zelazna streets in Warsaw. The tenant was represented in the negotiations by Cushman & Wakefield and DLA Piper. Golub GetHouse was advised by Colliers International and Greenberg Traurig LLP. The Mennica Legacy Tower will open in autumn 2019.

DIAMOND BUSINESS PARK STRKÓW, DOBRA

POLAND 

Fresenius Kabi, a pharmaceutical company specializing in fluid therapy and clinical nutrition, has renewed and expanded its lease agreement to 13,000 square metres at Diamond Business Park Stryków. JLL represented the tenant during the renegotiation of lease terms. Diamond Business Park Stryków features two warehouses with a third in the planning stage. Target leasable space will be 160,000 square metres.

OPERA OFFICE, GDANSK

POLAND 

LPP S.A., a clothing companies in the CEE region, has leased 2,400 square metres at Opera Office in Gdansk. The Benson Elliot and Sharow Capital-owned project is located along Aleja Zwyciestwa and provides 8,200 square metres of office space. Opera Office was completed in 2012.

K1, KRAKÓW

POLAND 

Caspio has leased 500 square metres of space at K1, the tallest office building in Kraków. The office space will serve as the future location of Caspio's research and development centre in Kraków. Savills represented the tenant during the leasing process. K1 is located on Aleja Pokoju 1, near the Grzegórzeckie roundabout. The 21-story building offers 11,000 square metres of office space. K1 is owned by PGIM Real Estate.

ANCHOR PLAZA, BUCHAREST

ROMANIA 

Supermarket retailer Profi took 800 square metres on the fifth floor of the Anchor Plaza office building in Bucharest. JLL brokered the deal. Anchor Plaza offers 25,000 square metres of leasable space on 13 floors.

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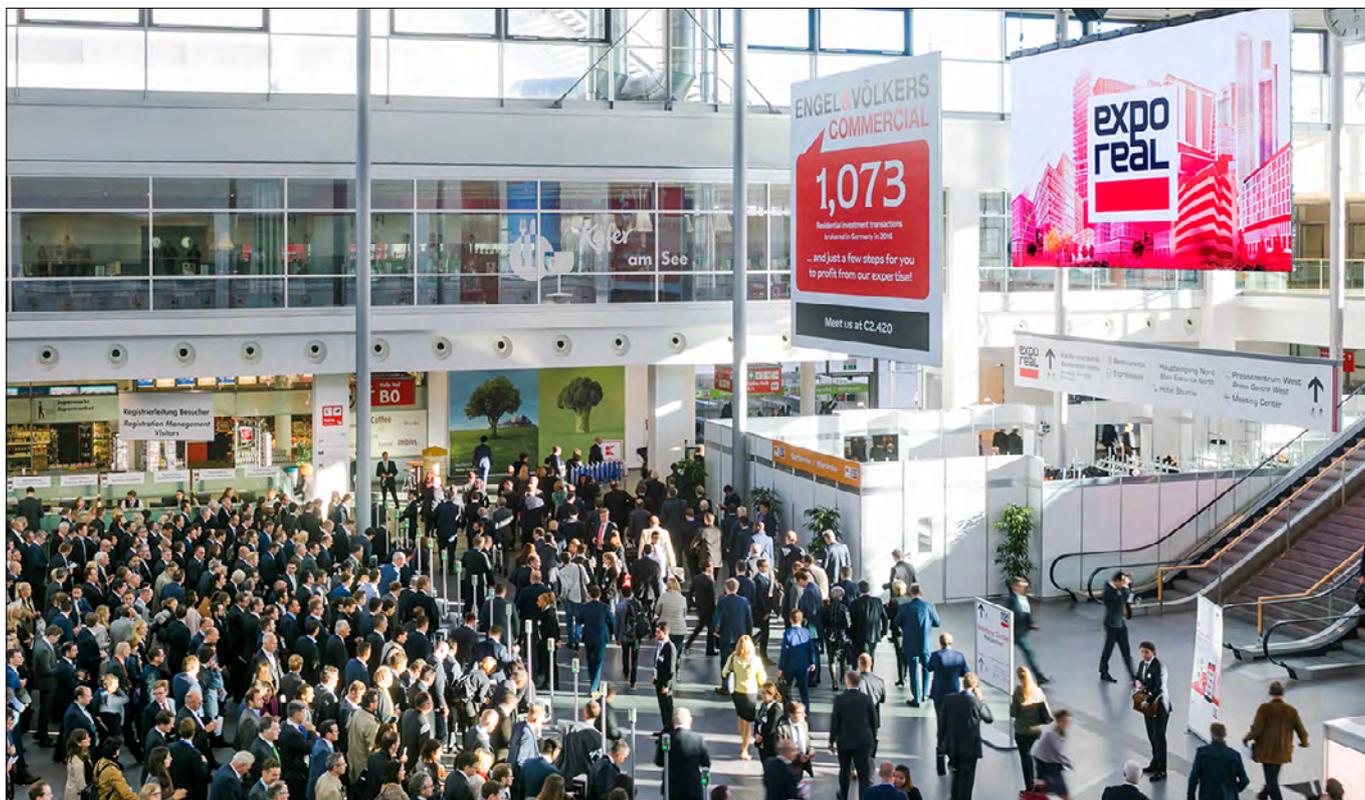
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AS ALWAYS BUT SLIGHTLY DIFFERENT: EXPO REAL



When in the morning of October 8 Expo Real will open its doors, the run on the halls will be heavy again.

It's the 21st time that the International Trade Fair for Property and Investment takes place in Munich. Many of us feel already familiar with the exhibition halls and know at least approximately where to go to find whom. But beware! In 2018 there are some surprising changes.

The first thing that is different to former years is the date of the event: from October 8 to 10 – that is four days later than in previous years. The reason is the simple fact that October 3 is the German Unity Day, the national day of Germany celebrated as a public holiday. For Expo Real the respective week has to have three working days left when the fair should start on October 4. This year October 3 is a Wednesday, so the rest of the week is not enough for a three-days fair.

And what about the "Oktoberfest"? It normally ends on the evening of October 3. This year, however, it has been extended until October 7. So the meanwhile traditional connection of Oktoberfest and Expo Real will remain.

What also remains is the location or the event, the six exhibition halls A1, A2, B1, B2, C1 and C2. And looking at the current status of registrations the rush of people will be as heavy as last year. For appointments at stands in different halls or in the same hall but far away from each other you should take into account a bit more of walking time because it will not be easy to cross the halls. Even taking the way over the courtyards between the halls – always the fastest solution –, at some point you have to enter a hall and to head to your respective target stand.

'To enter a hall' is the cue to do so. Each of the halls has a certain focus on countries of origin or certain topics. To start with hall A1: Here are to meet nearly all exhibitors from South-Eastern Europe.

When you arrive from Entrance West one of the first stands is that of the Republic of Moldova (A1.012). It is the second time that the Moldova Investment and Export Promotion Organization presents the country located between Romania and Ukraine at Expo Real with the aim to promote the sectors agriculture, automotive, information and communication technology, medicine, renewable energy and textile. The Republic of Moldova has a free trade agreement with EU and is member of the CIS, so the country can take the function as a hub between East and West. Furthermore, as one of the



Romania will be present at Expo Real with a large joint stand in hall A1.

least developed countries in Europe it attracts by its low labour costs.

Also the neighbour country Romania is located in hall A1. There is mainly the big stand organised by the AHK Romanian-German Chamber of Commerce and Industry (A1.234). Here present themselves the cities and regions of Bacau, Bucharest's district 5 (Cotroceni, Ferentari, Rahova), the harbour city Constanta, Hunedoara and Jiu Valley, a region in the south-western part of Transylvania and in former times characterized by coal mining and heavy industry, Iasi, and Suceava with its Industrial Park East European Border in Siret. They all are joined by private companies including Port of Constanta, operating the largest port on the Black Sea, that is both a maritime and a Danube river port; the consultancy Alma Consulting; the Bucharest-based law firm, Stratulat Albulescu; Plana-Innova, general contractor for industrial and civil constructions, with headquarters in Essen, but active in Romania since 2006; Rec Partners, a project manager with offices in Frankfurt, Cologne and Bucharest; WDP Development, a Belgian developer of logistics real estate, active in Belgium, The Netherlands and France as well as in Romania; and developer Zacaria from

Sibiu, specialised in industrial parks and housing as well.

Besides this big Romania stand there is a second one, organised by Transylvania Evolution (A1.513), presenting the city of Cluj-Napoca and the region Cluj in the west of the country.

After a break for some years Serbia returns to Expo Real. Vojvodina Development Agency (A1.441) organised the joint stand and could gain the participation not only of Novi Sad, the capital of the Autonomous Province Vojvodina, but as well of the cities Kikinda (near the border to Romania), Pancevo (where the river Tamiš flows into the Danube), Sobor (in the north-west near the border to Hungary and Croatia), Sremska Mitrovica (on Save river), Subotica (after Novi Sad the second largest city of Vojvodina), Vršac (near the border to Romania) and Zrenjanin (50 kilometres east of Novi Sad).

The joint stand of Bulgaria (A1.442) is also organised by the local AHK (Bulgarian-German Chamber of Commerce and Industry). Stand partners are Sofia Investment Agency; Business Park Sofia, not only the first business park in Bulgaria, but with 200,000 square metres of

space in 14 buildings also the biggest one in CEE; East Ring LP, owner of East Ring Logistics Park near Sofia; Expo 2000, an office park in Sofia, with Raiffeisen Property Holding International as the investor; Galaxy Investment Group, investor and developer of nearly all kinds of property; and the property agency Real Estates BG.

As is generally known hall A2 is the location of Polish exhibitors, mainly of the country's cities and regions. That is true also this year, albeit not all are exhibiting here. Demand was higher than space available and therefore two Polish exhibitors have to switch to hall C2: Walbrzych in Lower Silesia with its Special Economic Zone "Invest-Park" (C2.310) and the Kuyavian-Pomeranian Voivodeship (C2.311).

Bydgoszcz, however, one of the two capitals of Kuyavian-Pomeranian Voivodeship, is located in hall A2.022 and presents the local Industrial and Technological Park. Also the cities and regions of Poznan (A2.014), the Greater Poland Voivodeship (A2.020), Lodz (A2.021), Gorzow Wielkopolski (A2.030), as well as Kraków (A2.120) and the Lesser Poland Voivodeship (A2.122) are to find here. And one aisle away there is to find the Pomerania Development Agency (A2.332) with Gdansk, Gdynia and Sopot.

The centre of the Polish exhibitors is the capital city of Warsaw (A2.121), a big joint stand, where also private companies from Poland are present. These companies include Bank Zachodni WBK, one of the largest bank in Poland; BBI Development, a developer listed on the Warsaw Stock Exchange and known for projects like Zlota 44 and Plac Unii; Ghelamco Poland, internationally well known because of the development of Warsaw Spire; the investor and developer Golub GetHouse; Karimpol, a developer based in Czech Republic, but since 1996 active in Poland and meanwhile also in Slovakia and Bulgaria; Yareal Polska, developer of residential and office

ROMANIA: NEW MARKET DYNAMICS AND OPPORTUNITIES



Hedwig Höfler
Head of investment
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Dr. Marcel Ionescu-Heroiu
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Thanos Efthymiopoulos
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17:00-17:45



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property; and the project and construction management company cmT. Also the Polish branch of HB Reavis joins the Warsaw stand. The development company, originally founded in Bratislava in Slovakia expanded meanwhile into an international group and is active not only in CEE, but in UK and Germany as well. So only some steps away from Warsaw the HB Reavis Group has its own stand (A2.124).

Independent from others and with own stands present are also Echo Investment (A2.134) and Skanska Commercial Development (A2.222), the latter active not

only in Poland but in Czech Republic, Hungary and Romania as well.

Also located in hall A2 is Budapest (A2.310), a joint stand, in which take part again HB Reavis and the Hungarian company of CBRE. Furthermore to find are the Hungarian Investment Promotion Agency. The development company Városliget, the Hungarian developers Futreal, Horizon Development and Wing as well as Granit-Polus Management Corporation are co-exhibitors well known to many who are active in Hungary. Perhaps not everybody is familiar with Forestay Development: the compa-

ny realises on behalf of the respective owners the student apartment building Milestone and the redevelopment of the former stock exchange building in Budapest. Furthermore the Budapest stand is joined by the real estate brokers Duna House Franchise and by the law firm Lakatos, Köves and Partners. What is the business of Kopaszi Gat Kft., also present at the Budapest stand, is difficult to say: the company's homepage is only in Hungarian. Another co-exhibitor of Budapest is CEETRUS Hungary, at first sight a name causing some question marks. The company formerly known as Immochan has changed its name into CEETRUS some weeks ago.

What will be surprising in hall A2 is the fact that this year the two joint stands for the hotel segment and some others of this sector are to find here. In former times they all have been in hall C2. This year they have to move to hall A2.

While the majority of exhibitors from CEE/SEE is located in hall A1 and A2, it needs some legwork to visit the smaller part of them. To find the City of Moscow (B1.110) causes no difficulty – when entering the hall B1 from Entrance West the stand is not to miss. Who is joining the stand remains a question until the opening of the fair, because the City of Moscow does not announce their co-exhibitors in advance. Two Russian exhibitors are present at the fair as soloists: the residential developer Dom.RF (B1.230) and Biganto Visual (B1.533), the latter a 'repeater' who was already there last year.

Also in hall B1 to find is the Polish developer Cavatina (B1.042), based in Krakow, but active also in Warsaw, Wroclaw and Gdansk.

Who is interested in industrial and logistics real estate in CEE/SEE, will find in hall B1 also CTP Invest (B1.141), not far away from the joint stand LogReal Campus dedicated for logistics. Other developers of logistics property in CEE/SEE are spread on the halls: Goodman has its



Skanska (above) and HB Reavis (below), two developers, active in Warsaw, have their individual stands in the surrounding of the Polish capital.



Who walked from Moldavia in hall A1 to Ostrava in hall C2 is likely to need a break and to put the feet up.

stand in hall A1.434, P3 Logistic Parks is to find in hall B2.300, and Panattoni Europe presents themselves in hall C2.222.

Besides the Budapest stand in hall A2 there is another Hungarian exhibitor in hall B2: TriGranit (B2.022). However, the company is meanwhile no longer a genuine Hungarian one, because in 2015 TPG acquired the company and purchased it again recently to Revetas and funds managed by Goldman Sachs.

In the opposite direction from TriGranit, is to find Slovenia represented by Invest Slovenia – SPIRIT Slovenia (B2.410).

What remains are the two halls C1 and C2. In hall C1 is located only one exhibitor from CEE/SEE: Adacta from Serbia (C1.031). The company, founded in 1989 in Ljubljana and meanwhile active in eight countries, develops IT solutions and provides services to implement Microsoft Dynamics, Qlik and Insurance IT solutions.

The two Polish regions, Walbrzych in Lower Silesia with its Special Economic Zone "Invest-Park" (C2.310) and the Kuyavian-Pomeranian Voivodeship (C2.311) we have already mentioned. From Poland also in hall C2 located is White Star Real Estate (C2.433), a development and management service provider, active also in Czech Republic, Hungary, Romania, Russia and Slovakia.

The hall C2 is mainly the target for all interested in Czech Republic. Here the cities Prague, Brno and Ostrava as well as the South Moravian Region and the Moravian-Silesian Region have a joint stand (C2.414) where are also to find the architecture firm Casua and the law firm PRK Partners; the Accolade Group, involved in preparing rental space for light production, related logistics and e-commerce; Linkcity CZ, the Czech member of the Bouygues Development network in Europe; and the Czech developer Sekyra Group.

Generally the offer of exhibitors and topics at Expo Real is tremendous. Without preparation and targeted selection in advance the visitor will be overwhelmed by pure quantity. Also the conference programme is extensive, and adding the great number of exhibitor's events it is nearly impossible to keep track of the offer. The better the preparations in advance, the more efficient the visit of the fair will be. To know in case of doubt where to go the Expo Real app can be of great help – it saves time of search and questioning at the mostly crowded info desks. And we all have our smart phones always in the pocket. **I Marianne Schulze**





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SO, WHO EXACTLY ARE INSTITUTIONAL INVESTORS?



They dominate the market and can influence the prices of a range of tangible assets, including real estate. They are institutional investors. But who are they, how do they operate and why do they play such an important role?

When we say there's "a lot of money in the market looking for investment opportunities", we are often talking about institutional investors. The largest institutional investors in Germany are insurance companies, followed by banks, pension funds and occupational pension schemes, and large listed industrial and service companies. On a smaller scale, the group also includes foundations, municipalities and churches. GAC (Gesellschaft für Analyse und Consulting) has estimated that German institutional investors have more than EUR 3 trillion of assets under management.

In many cases, the term institutional investors also include fund companies, such

as investment companies and/or large investment and asset management companies. But it is not primarily their own money that they invest, as can be seen from the fact that, on the transaction markets, they often act "on behalf of..." when an institutional investor, such as a pension fund, acquires a property directly.

Over the past ten years, the proportion of real estate held by institutional investors has risen continuously. "In recent years, more than EUR 30 billion have been invested in the real estate sector by life insurance companies, pension funds and occupational pension schemes alone", states the latest study and market survey on the 'investment behaviour of institutional investors' in Germany by Scope Ratings.

For its study, Scope surveyed more than 100 institutional investors with total assets under management of EUR 535 billion in the second half of 2017. Among the institutional investors surveyed by Scope, real

estate currently accounts for an average of six per cent of total fixed assets – this corresponds to around EUR 32 billion. Equities account for only five per cent, while fixed-interest securities are accounting for the lion's share, averaging 77 per cent of each portfolio.

However, institutional investors tend not to invest directly in real estate, but prefer indirect forms of investment. Around three-quarters of real estate held by institutional investors surveyed by Scope is held via fund vehicles, only one-quarter are direct investments.

This is understandable, because managing real estate assets requires appropriate expertise – not only generally, but also in relation to the different segments and countries. The range of investment opportunities has expanded significantly for both segments and locations, and it is correspondingly costly and time-consuming to maintain the necessary property

management expertise. This is one of the reasons why special property funds have been increasingly gaining in importance. According to the German Federal Financial Supervisory Authority (BaFin), assets owned by open-ended special real estate funds amounted to EUR 88.2 billion at the end of 2017 (previous year: EUR 75.6 billion).

According to the Scope study, the majority of institutional investors surveyed assessed the development of the real estate markets over the next three years as either very good or good. Although Germany is still regarded as extremely attractive – almost half of those surveyed described investment prospects as very good, another third as good – Europe in general (excluding Germany) and the global real estate markets as a whole are at similarly high levels.

No wonder institutional investors have diversified geographically and are on the move all over the world. Institutional investors in other countries are also investing globally in order to seize the most attractive opportunities, resulting in “intense pressure to invest in real estate markets” in almost every country. And it is no longer just in core markets where this pressure to invest is driving real estate prices to hitherto unseen heights. This is because so many investors are competing for the small number of investment properties that do come to market. Some investors have decided that prices are now too high and yields too low for them to ‘join in’.

Accordingly, they are looking beyond the borders and at markets that still offer potential, but that might not be attractive to everyone and where the cycle has not yet reached its peak. However, the question

of expertise remains. This often calls for external asset managers who have in-depth knowledge of the respective market and are able to realistically assess opportunities and risks.

The Scope study is also informative on this point. This is because the focus of the institutional investors surveyed is not on asset managers’ fees – in earlier years this was probably more of an issue – but on the quality of each company’s services. Personnel and organisational stability, reliability and a good reputation are considered decisive criteria, while the size of the company plays a lesser role.

Strictly speaking, institutional investors do not differ fundamentally from other investors on this point. After all, it is not only about know-how, but primarily about performance and trust. | **Marianne Schulze**

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WATER BECOMES MORE AND MORE VALUABLE



In the temperate zones of Europe water seemed to be no issue of concern. This summer, however, made us familiar with drought.

Up to now, at least in the temperate zones of Europe, water has been no problem. However, this summer taught us something else. So thinking of ways and means not only to save water but as well to gain extra water is all but academic.

At the beginning of the year we listened to the news about water shortage in South Africa only with half an ear. After three years of drought the drinking water reservoirs of the region were nearly empty. During spring the situation got worse so in Cape Town there were already plans

to turn off the water and to ration water to only 25 litres per day and per person. To put it into a relation: In Germany each inhabitant spends 120 litres per day.

From a European point of view South Africa is far away, so the topic touched us only marginally. But then the summer started already at the beginning of May, it became warmer and warmer and even worse: for weeks nearly no rain was falling. Wildfires – a phenomenon known from Southern Europe – have been reported from Sweden; water bodies dipped flat and their temperature rose to a high that fish could no longer survive; farm-

ers looked at the sky for rain, becoming every day more troubled; also the inland water transport was subject to restrictions because even on big rivers like the Rhine the gauge was extremely sunken; and industries in need of cooling water from rivers had to cut back production. In UK, a country where rain is more common than sunshine the drinking water reservoirs had fallen so flat that sprinkling the lawn was forbidden – the famous green lawns of the country became brown. In short: even characterising the summer as an extraordinary one, it will be a situation that – according to climate experts – will not remain the exception of the rule and

will repeat in shorter and shorter intervals. In other words: we cannot act on the assumption that we will be as rich of water as in the past. The more important it is to think about ways and means to save water and to win extra water.

Therefore the Royal Institution of Chartered Surveyors RICS proves to be up-to-date choosing three of five selected entries dealing with water catchment for the European shortlist of the global competition 'Cities of our Future'. The RICS run the competition in partnership with UNESCO and the Association of Commonwealth Universities. The challenge is issued to imaginative, problem solving young professionals, start ups and students involved in surveying, urban design, architecture, or engineering and is in search of projects and policies that solve some of the defining issues of our time: rapid urbanisation, climate change and resource scarcity. Globally over 1,200 entries have been received.

Water butts and cisterns are a possibility to collect water for all those purposes not necessarily in need of drinking water. The concept of a double water systems – one for drinking water, the other for raw water – is not really new and already often implemented. However, this summer many of us made the experience that even a big water butt or cistern is eventually empty when there is no supply. Anyway: used consequently it can help to save at least some drinking water.

What is relatively easy to implement for home and garden owners, is more difficult in urban agglomerations. And in many urban agglomerations of the world the access to clean water is the problem. Therefore it is a good concept to think about a way to gain drinking water by rain. Tijmen Dekkers from The Netherlands proposed the development of the Delta X – a construction that captures and filters rainwater and is extremely strong, yet cheap and easy to build. The Delta X is made from aluminium, can be designed in any length, depth and width and can be erected in just one day. It

uses a hydraulic system to pump and filter water and a digital monitoring system to measure the quantity and purity of the water. This idea is meanwhile among the global finalists of the competition.

Two further ideas reached the European shortlist: a new technology to solve the problem of water scarcity in Kazan, Russia, by extracting moisture from the air, proposed by Anna Budnikova from Russia, and the installation of public benches that capture rainwater to tackle water shortages in Poznan, proposed by Maria Dolniak from Poland.

For drinking water supply mainly groundwater is used that is naturally replenished by surface water from precipitation. However, even in the temperate zones of Eu-

rope that is not always and everywhere possible. Groundwater is not evenly spread and aquifers are depending on the respective soil horizons. Where impermeable horizons are given, drinking water sources are mainly water reservoirs built up by dams.

However, to let go surface water, mainly that from roofs and rain gutters as well as that from streets and sealed ground, via an own channel system into the next river or lake is also some kind of very common extravagance. To use this water for many purposes could help to save drinking water. And those who have more than they need could make the surplus available to others who do not have the one or the other in a sufficient amount. | **Christiane Leuschner**



Not only drinking water, but water in general is valuable. Therefore it is worth to consider whether surface water can be used in different ways than today.

FOR YOUR PLANNING

When	What about	Where	For information and registration
30. September – 2. October 2018	14th Conference of European Regions and Cities „Europe 1918 – 2018 – 2118“	Salzburg Congress, Auerspergstraße 6, Salzburg, Austria	www.institut-ire.eu
8.–10. October 2018	Expo Real 21st International Trade Fair for Property and Investment	Messe München, Munich, Germany	www.exporeal.net
19. October 2018	26th ERES Industry Seminar: Tourism and Real Estate	Vienna, Austria	www.eres.org
14.–16. November 2018	Mipic	Palais des Festivals, Cannes, France	www.mipic.com
30. November – 1. December 2018	14th ERES Education Seminar: Real Estate Professionals of Tomorrow	TU Kaiserslautern, Erwin-Schrödinger- Straße 14, Kaiserslautern, Germany	www.eres.org
13.–16. March 2019	Mipim	Palais des Festivals, Cannes, France	www.mipim.com

THE HABSBURG MONARCHY AS A LOST WORLD?

"An important indicator for the balance of a society is the relationship of past, present and future generally accepted by the public." This is the first sentence of the motto put in front of the book "Habsburg – Bibliothek einer verlorenen Welt" (Habsburg – Library of a Lost World) by Richard Wagner.

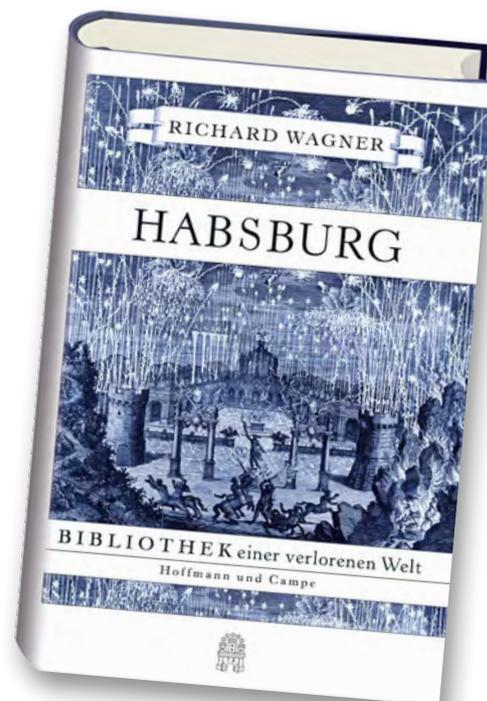
Different to the immediate association the author's name is causing, Richard Wagner is born in the Banat in Romania where he worked as a teacher of German language and literature and as journalist and where he published poetry and prose in German. Born in 1952, he experienced the rather dark times of Romania and very directly the surveillance by the secret police Securitate, before he left the country in 1987. Since then he lives in Berlin.

The above-mentioned book has been published already in 2014. It contains a great number of miniatures and sketch stories as guides through history, literature and culture of the former Habsburg Monarchy. It is not a book 'for academics only', but consists of mostly entertaining anecdotes revealing the influence the Habsburg Monarchy has in the respective countries still effective today.

Often we have written in SPH Newsletter that for Austrians it is much easier to move into the countries that were part of the

Habsburg Empire, because of the shared history in the 19th and early 20th century. Admitted, especially in the area of administration there are still to find many things established in former times. But to discover what has endured in people's mind and which are the influences that coined the different mentalities, a more detailed knowledge of what is called cultural history is needed. So, for example, we are talking about the multi-ethnic society in Romania, but not necessarily about the fact that in former times the different groups have lived a more or less separated life. Even though the author is of Romanian origin, his literary wanderings are not limited to this country, but includes all the CEE/SEE regions of the former Habsburg Empire – from Austria to Czech Republic, from Hungary to Ukraine.

Some parts are very funny to read, others are more serious, but always the small impressions prove great knowledge and intensive examination of the subject. For sure, the book is no 'guide to mentalities', however, these mentalities become a clearer outline. Some stories are surprising while others are a bit malicious like the two pages headlined "Small Enough" about the role of Austria within the European countries. All in all the book is a rich source for all interested in the heritage of the past continuing to have an effect on many CEE/SEE countries.



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