

SPH newsletter

news

News from CEE/SEE	page 2
Staffing	page 10
Lettings	page 11

special



Summer season is travel season, but with a still menacing virus this year everything is different to former times. The so far booming tourism industry is experiencing a more or less disastrous summer season. page 13

background

Rethinking is often required also in the business sector. That includes also the organisation of enterprises. A traditional and proved model are co-operatives. page 15

events

Expositions, conventions, and congresses page 17

DEAR READERS!



Language is expressing a lot, and a journalist should be especially careful because just by profession he is working with language. Therefore it often strikes me that in the context of the pandemic talk is mostly about restrictions. It sounds as conditions at the start of the year have been the normal that is cut down now. In the short term it might be right, but not in the long term. It would be more reasonable to talk about changes instead of restrictions.

Regarding the pandemic no signs of easing are currently to observe. The number of infected people is considerably increasing in all countries, and the willingness to keep the simplest rules is decreasing. The other way around it would be the better choice. From the low numbers of Covid-19 infected people after the lockdown we are farer away every day. We all have seen the pictures of big parties and demonstrations, of airplanes fully booked and trains all seats occupied. That could be acceptable with a general high personal responsibility, but unfortunately that is not given in any case and about the "collective intelligence" I had some doubts already before the outbreak of Covid-19.

We have to learn to live with the pandemic. That is causing changes, but not all of them have to be bad. Nothing is to say against quality taking the place of quantity or against effectivity instead of efficiency. A poem Rainer Maria Rilke wrote about a sculpture of Auguste Rodin finishes with the line: "You must change your life!" I wish you and all of us that as many people as possible orientate their lives toward more responsibility.

Yours,

Andreas Schiller



Equal Business Park in Krakow is developed by Polish Cavatina Holding and offering a total of 60,000 square metres of office and retail space.

APOLLO-RIDA ACQUIRES EQUAL BUSINESS PARK IN KRAKÓW

A joint venture formed by Apollo-Rida Poland has completed the acquisition of the buildings A, B, and C of the Equal Business Park complex in Kraków developed by Cavatina Holding. The purchase price remained undisclosed.

Equal Business Park consists of four office buildings (building D is under construction and is scheduled to be transferred to Apollo Rida in 2021 upon completion) located in Kraków's Podgórze district at Wielicka Street. In total, Equal Business Park offers more than 60,000 square metres of office and retail space.

ELEMENT INDUSTRIAL LAUNCHES PROXIMITY STORAGE BUSINESS LINE

Element Industrial announced the launch of Eli Xpress, a new line of business based on the concept of proximity storage. Eli Xpress warehouses will offer areas between 6,000 and 12,000 square metres and will be located close to large cities, or even inside cities.

The first project of this kind is Eli Xpress Constanta, a logistics park of 11,000 square metres, rented to Altex and Bere Bauturi Constanta. The project was purchased last year from the distributor of alcoholic beverages, Bere Bauturi. This warehouse is located on 131 A, IC Bratianu boulevard, an artery that ensures the entrance to the city from A2.

Element Industrial intends to build a portfolio of such smaller projects, through the direct acquisition of warehouses, or through the development of land that meets the requirements. At the same time, the developer continues to invest in the Eli Parks network, logistics parks of 50,000 to 60,000 square metres.

EUROPI ACQUIRES STAKE IN CAPITAL PARK

Europi Property Group has acquired a 12.3-per cent stake in Capital Park S. A., an owner, operator and developer of office and mixed-use assets predominantly in Warsaw. The investment provides EPG with exposure to Capital Park's existing portfolio. Notably, Capital Park is in the final stage of its flagship re-development of the two-hectare former industrial site in Warsaw's central Wola district; 'Norblin factory redevelopment'. The site is being transformed into an office and mixed-use complex in central Warsaw, with over 65,000 square metres of gross leasing area. The scheme is scheduled for completion in Q2 2021.

Europi Property Group is a pan-European real estate investment company with offices in London and Stockholm. It was founded in 2019 by former Blackstone executive Jonathan Willén and Brunswick Real Estate Ventures, a Nordic real estate investor and fund manager.



Warsaw Spire
Office Building
Warsaw, Poland

Helaba | 



Q19
Shopping Center
Vienna, Austria



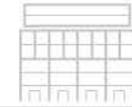
Balthazar
Office Building
Paris, France



61 Ninth Avenue
Mixed-use Building
New York, USA



EDGE Südkreuz
Office Development
Berlin, Germany



Upper Zeil
Retail
Frankfurt, Germany



Junghof Plaza
Mixed-use Building
Frankfurt, Germany

Higher returns through bespoke solutions.

In the real estate business, we are the experts for your bespoke financing solutions. Our solutions are finely tuned to your needs and encompass a comprehensive spectrum of services. As your partner in national and international markets, we give your project the drive it needs to succeed – competently, reliably and over the long-term.

Values with impact.



The fairground of Romexpo Exhibition Center will be completely redeveloped. The pavilions will be reconfigured into a large conference and congress centre and on the area around a hotel, a multifunctional event hall and cultural and lifestyle facilities will be developed.

CCIR AND IULIUS PLAN MAJOR MIXED-USE PROJECT IN BUCHAREST

Iulius Company and the Romanian Chamber of Commerce and Industry are investing EUR 2.87 billion into the development of a large-scale mixed-use project around the existing Romexpo Exhibition Center in Bucharest. The project will spread over about 350,000 square metres and go up in stages. Plans call for museums and a multifunctional event hall, a new park and green urban connections. The area will also include 12,000 parking spaces and retail and lifestyle space as well as a five-star hotel. The project integrates the Romexpo exhibition pavilions which it reconfigures and upgrades into a large conference and congress centre.

GALCAP BUYS RUMBACH CENTER IN BUDAPEST

GalCap Europe, a real estate asset and investment manager specializing in Austria and Central Europe, has acquired another asset in Budapest for a German pension fund's portfolio: the Rumbach Center office building. It was sold by Dubai-based Al Habtoor Group. Rumbach Center, built in 1992; renovated in 2008 and 2014, is located in the city centre of the Hungarian capital, within walking distance to Deák Ferenc tér, the main junction of the Budapest metro lines. With approximately 7,600 square metres of gross lettable space and 72 underground parking spaces, the property is entirely leased to the Budapest Public Transport Authority BKÜ/BKK, which is headquartered there.

CMN ACQUIRES TWO CITY WEST BUILDINGS IN PRAGUE

Ceskomoravská Nemovitostní (CMN) has completed the acquisition of two office buildings, City West C1 and C2 in the Stodulky district of Prague. In all, they offer more than 25,000 square metres of leasable office space near the D5 motorway and the Prague airport. The vendor was the Luxembourg fund CFH. The total value of the transaction with CFH was nearly CZK 6bn (approximately EUR 226.16 million). Raiffeisen Bank provided financing for the deal.

ARCHICOM FINALISES SALE OF WROCLAW OFFICE BUILDING

Polish developer Archicom has finalised the sale of City One, the first building of the City Forum office complex in central Wrocław to an international institutional investor for EUR 33.8 million. The name of the buyer has not been disclosed. City One, completed in 2019, comprises 11,242 square metres of office space. Completion of the 12,000-square metre second building of the complex, City 2, is scheduled for Q3 2020.



Centrum Orlat at Plac Lwowski in Wrocław has been developed in 2002 and was one of the first modern office buildings in the city. Up to the end of 2019 Crédit Agricole was headquartered in Centrum Orlat.

ADVENTUM ACQUIRES WROCLAW OFFICE BUILDING

Adventum International, a Malta-based investment fund manager, has acquired yet another property in Poland. The 17, 000-square metre Centrum Orlat office building at Plac Lwowski in Wrocław was purchased from seller EFL Service S.A. being part of the financial groups of the European Leasing Fund S.A. With this transaction Adventum's Quartum Polish office portfolio grew to 63.000 square metres gross leasing area. The purchaser plans a full refurbishment programme for Centrum Orlat. The office building will re-open its doors in Q1 2021.

ONE UNITED BUYS OFFICE BUILDING IN BUCHAREST

Real estate developer One United Properties has acquired One Herastrau Office building recently completed in the Aviation area of Bucharest. The new owner paid EUR 15 million to the local construction company Conarg for the project.

The One Herastrau Office building, located near the One Herastrau Towers residential project developed by One United, has a leasable area of 7,500 square metres and it includes 144 parking spaces.

EBRD PROVIDES GREEN LOAN FOR WDP IN ROMANIA

The industrial real estate sector in Romania will receive a boost thanks to an agreement signed between the European Bank for Reconstruction and Development (EBRD) and Warehouses De Pauw (WDP). The EBRD will provide WDP with a EUR 150 million senior unsecured loan to support the company's portfolio expansion in the country.

WDP is planning new development projects at important logistics hubs, enhancing Romania's infrastructure. The EBRD financing will contribute to the implementation of a sustainability management framework, comprising international building certifications and the introduction of other green measures that go beyond WDP's current practices. These include, among others, an upgrade of the energy and water efficiency performance requirements and the roll-out of an energy management system across the entire Romanian portfolio.

The loan will also support the introduction of two replicable and high-quality training programmes for young people; a new pilot accredited dual education programme for students in technical universities; as well as an internship programme aimed to facilitate school-to-work transition.

In April 2020, International Finance Corporation IFC, a member of the World Bank Group, announced that it is providing a green financing package of approximately EUR 205 million to WDP to support the construction of around 1 million square metres of resource-efficient semi-industrial and logistics properties across Romania.



The retail park Vendo Park in the Polish city of Płock in Masovia extends over 4,200 square metres of lettable area.

TREI OPENS ITS 17TH VENDO PARK IN PŁOCK IN POLAND

Trei Real Estate GmbH (Trei), a developer and asset holder for residential and retail real estate with activities across Europe, opened the 17th retail park of its Vendo Park brand in Poland. The retail park is extending over 4,200 square metres of lettable area and providing 120 parking spots. It is located in the city of Płock in the Masovian voivodeship. Płock has a population of around 120,000 residents and lies roughly 100 kilometres north-west of Warsaw. The total investment costs equal EUR 6.7 million.

NEW DISTRICT TO BE BUILT IN KATOWICE

Nowy Wetnowiec, a multifunctional and eco-friendly district will be built in the northern part of Katowice between Wojciech Korfanty Avenue and Konduktorska Street. The post-industrial area of 25 hectares will be revitalized.

As part of the project, construction works will bring 270,000 square metres of usable floor space intended for various functions – 57 per cent apartments, 11 per cent offices, 15 per cent service facilities and gastronomy, 17 per cent entertainment and culture/science-dedicated premises, social functions, including hotel, school, kindergarten, nursery, senior care home, cinema or museum, as well as recreation and entertainment places. Green areas will take up as much as 56 per cent of the project. The estimated investment costs top PLN 2 billion (EUR 447 million).

JEMS Architekci, a Polish architecture studio known for its design of the International Conference Centre in Katowice, authored the concept of Nowy Wetnowiec. The investment's manager is Eko-Bryza, a company with Piotr Uszok, the former mayor of Katowice in the years 1998-2014, at its helm. The strategic partner of the venture responsible for development supervision is Capital Park Group, while Investeko is responsible for issues related to land treatment and remediation.

IULIUS STARTS REGENERATION PROJECT PALAS CAMPUS IN IASI

Iulius Company started the construction works for Palas Campus in Iasi, an investment upwards of EUR 120 million. This will be one of the largest office buildings in Romania in terms of its total area, adding up to more than 60,000 square metres leasable space. The investment will be completed in 2022.

Palas Campus is built in an untapped central area of Iasi city, in the immediate vicinity of the Palace of Culture in Sf. Andrei Street. The project will include six building blocks connected both at the ground floor level and on the first three floors. The building blocks are designed to stand at different heights up to maximum six floors. Furthermore, two underground levels will be allotted to a parking facility with a capacity of approximately 625 parking places.



During the last years, the seven-storey office building Eiffel Square in Budapest, located on Teréz Boulevard near the Nyugati (Western) railway station, has changed hands several times.

ALLIANZ RE BUYS EIFFEL SQUARE OFFICE BUILDING IN BUDAPEST

Allianz Real Estate has purchased the Eiffel Square office building in central Budapest from Hungary's Green Real Estate Development Investment Fund, managed by Equilor Fund Management, in an off market-deal.

The 23,500-square metre asset, delivered in 2010, is located at the junction of the CBD and the Váci Corridor on a major transport hub of the city (train, metro, tram, bus). The purchase price remained undisclosed.

KGAL acquired the building in 2016 from ConvergenceCE. Eiffel Square was then transferred to a Luxembourg-based investment company in late 2017. At the end of 2018, the office building became the property of SkyGreen Buildings, founded by Equilor Fund Management, which has now sold the building to the Allianz Group.

TESCO TO EXIT POLAND

Tesco announces the sale of its business in Poland to Danish Salling Group A/S. The transaction, which is subject to antitrust approval, includes the sale of 301 stores together with the associated distribution centres and head offices. Total enterprise value agreed for the transaction is GBP 181 million (EUR 200.7 million).

In addition, Tesco Group has made progress in selling its remaining Polish property outside of this transaction. Over the past 18 months, the Group has either sold or agreed to sell 22 stores for net proceeds of around GBP 200 million (EUR 221,7 million). The Tesco Group will continue to seek to realise value from the remaining assets, which include 19 currently trading stores not covered in this transaction.

All 301 stores included in the transaction will be rebranded during an 18-month transition period.

ELEMENT INDUSTRIAL TAKES OVER LOGISTICS PROJECT IN PLOIESTI

Element Industrial completed the acquisition of a project to go up on 49 hectares of land near Ploiesti. The sellers were One United Properties and the former partners of the investment house Capital Partners.

The project initiated by One United Properties represented the developer's entry into the industrial-logistics sector, but the investor later decided to withdraw from this market segment to focus on mixed developments.

Element Industrial is planning to break ground by the end of the year. The Ploiesti Logistic Park project will be renamed Eli Park 7. The contractor will keep the initial development plan, which calls for building 220,000 square metres of storage space and about 20,000 square metres of office space.

<< Top forum for business, architecture and administration. Since 2013. >>

CITIES *of* TOMORROW

New waves of urban migration

ONLINE | SEPTEMBER 1, 2020

www.citiesoftomorrow.ro



Deutsch-Rumänische
Industrie- und Handelskammer
Camera de Comerț și Industrie
Româno-Germană

An event by



econet romania



Ušće Tower Two, an office building with 23,200 square metres of leasable space, is located next to Ušće Tower One, developed already in 1964, and to Ušće Shopping Center opened in 2009.

MPC PROPERTIES OPENS UŠĆE TOWER TWO IN BELGRADE

Developer MPC Properties has opened the Ušće Tower Two office building in Belgrade. The 22-storey building offers 23,200 square metres of leasable space. Built next to the existing Ušće Tower One and Ušće Shopping Center, Ušće Tower Two is located in the New Belgrade district, directly adjacent to the confluence of the Sava and Danube rivers.

ARROW ACQUIRES POLISH LOGISTICS ASSET FROM M7

Australia-based real estate company Arrow Capital Partners has acquired the urban logistics asset, Airport House, in Warsaw for its European Strategic Industrial Real Estate (SIRE) platform. The asset has been sold by M7 Real Estate, acting on behalf of PVBRI, a work-out investment vehicle created by M7 and a Polish Bank to stabilise and turnaround a financially challenged portfolio of industrial, office and retail investments.

The 8,610-square metre property is situated next to Warsaw Chopin Airport and motorways connecting to major cities such as Lodz, Wroclaw and Poznan.

GLOBAL VISION STARTS NEW DEVELOPMENT NEAR BUCHAREST AIRPORT

Romanian developer Global Vision has launched the development of a new logistics park near Henri Coanda International Airport in Bucharest.

Bucharest Airport Park will offer 13,520 square metres of space in two warehouses. The complex is being built on a 35,000-square metre land parcel, which the developer purchased last year for more than EUR 5 million.

ISOC GROUP ACQUIRES TWO BUILDINGS AT SILESIA BUSINESS PARK

Philippines-based ISOC Group has acquired Buildings A and B at Silesia Business Park in Katowice. The seller was a fund managed by Niam, one of the largest private property owners in the Nordics. The cost of the deal was not disclosed.

Silesia Business Park is a complex of four office buildings, located on Chorzowska street in Katowice. Buildings C and D, offering a total leasable area of 24,600 square metres, were acquired by ISOC Group in December 2018 from Skanska, the project's developer. The leasable area of the newly acquired properties adds another 24,700 square metres to the group's portfolio.

STAFFING



left: Michael Bütter
right: Razvan Enache

Michael Bütter has been appointed future CEO of Union Investment Real Estate GmbH. Michael Bütter will become Chairman of the Management Board (CEO) of Union Investment Real Estate GmbH and head of the Real Estate segment with effect from 1 October 2020, subject to approval by BaFin. A fully qualified lawyer and business economist, he is taking over the role from Jörn Stobbe, who will remain part of the Management Board and focus on areas with high added value as head of Asset Management. The five-strong leadership team also includes long-standing Management Board members Volker Noack and Martin J. Brühl and, since 1 July 2020, Christoph Holzmann as new COO. In his role as Head of the Real Estate segment, Michael Bütter currently sits on the supervisory and advisory boards of various property and digital companies and is a member of the RICS Management Board in Germany. He has previously held senior management positions at companies including Vonovia SE, Scout24 AG, ImmobilienScout GmbH, Corestate Capital S.A. and TLG Immobilien AG.



left: Matthew Lunt
right: Tomasz Trzósło

Razvan Enache was appointed CEO of Tiriac Imobiliare. He previously served as project manager at Skanska Romania for almost five years, and between 2013 and 2015, he was Head of Real Estate at BCR.

Matthew Lunt is new Head of Asset Management Austria and CEE at CA Immo. He joined CA Immo on July 6, 2020, taking over responsibility for all asset management activities in Austria and CEE, including leasing, tenant relations, and comprehensive management of the investment portfolio. Matthew Lunt has more than 25 years experience in the CEE real estate markets, with a primary focus on asset management. Most recently he worked for Tristan Capital Partners. As Executive Director he was responsible for all asset management activities across the CEE and Nordic markets, as well as new deal sourcing across CEE. Before joining Tristan Capital Partners, he was Senior Vice President at Heitman European Private Equity, responsible for portfolio management mainly in the CEE region.



Gabriele Volz

Tomasz Trzósło has been appointed CEO of EPP. Tomasz Trzósło has been active on the Polish and other European real estate markets for over 20 years. Before joining EPP, he was the Managing Director of JLL for Poland and the CEE region, where he managed the company's operations in Poland and oversaw JLL's business in the Czech Republic, Romania, Hungary and Slovakia. From 2005 he headed up JLL's Polish capital markets team and between 2008 and 2013 he managed the capital markets team in Central and Eastern Europe. Tomasz Trzósło holds a master's degree in Financial Accountancy and Economics from the Cracow University of Economics and has a diploma in valuation, investment appraisal, property finance and portfolio management from the Investment Property Forum in London.

Gabriele Volz has been appointed as Chief Executive Officer of Commerz Real. She will take up the position on 1 January 2021. Since 2009, Gabriele Volz has been Managing Director of Wealthcap, a subsidiary of UniCredit Bank AG. In this position, she was responsible for investment, asset and portfolio management, alongside sales, product management, marketing, research and human resources. Following a degree in business administration, Gabriele Volz started her professional career in 1994 at Bayerische Vereinsbank. In 2000, she moved to Bethmann Vermögensbetreuungs GmbH as Managing Director. Since 2001, she has held responsibility in a number of management positions at HypoVereinsbank, most recently as Member of the Management Board in the Wealth Management Division. Gabriele Volz is also a Member of the Management Board Germany of the Royal Institution of Chartered Surveyors.



LETTINGS

ADVANCE BUSINESS CENTER, SOFIA

BULGARIA 

Commerzbank will lease over 3,500 square metres gross leasing area in GTC Bulgaria's Advance Business Center II starting 1st December 2020. Advance Business Center II is the second GTC development project within Business Park Sofia. The building will offer 17,800 square metres of office space.

BB CENTRUM, PRAGUE

CZECH REPUBLIC 

Alcon Pharmaceuticals is taking more than 1,000 square metres in Building B at BB Centrum in Prague 4 owned by PasserInvest. Building B, which is currently undergoing reconstruction, comprises 15,600 square metres including 1,240 square metres of retail space.

GENERATION PARK Y, WARSAW

POLAND 

The PZU Group has leased 47,000 square metres of office, retail, service and warehouse space, as well as 325 parking spaces in Generation Park Y in Warsaw. The PZU Group will move to the new office in the second quarter of 2022. Generation Park Y is a 140-meter building crowning the Skanska office complex currently under construction near Warsaw's Daszynskiego roundabout.

GENERATION PARK Z, WARSAW

POLAND 

Diverse CG has leased 3,000 square metres of office space at the Generation Park Z office building in Warsaw. Generation Park Z offers 19,000 square metres of total leasable space. Developer of the building is Skanska. The company has sold the building to Deka Immobilien in March 2020.

CAVATINA HALL, BIELSKO-BIAŁA

POLAND 

US-based software services company Ellie Mae has leased 2,000 square metres at Cavatina Hall in Bielsko-Biała in Silesia. Cavatina Hall is located on Dworkowa Street and will offer 9,000 square metres of office and service space as well as 224 parking spots. The investment will include a concert hall with seating for 1,000 people and a recording studio. The project is being developed by Cavatina Holding.

MONOPOLIS, ŁÓDŹ

POLAND 

ABB will relocate into the newly-developed offices of the Monopolis complex in Łódź. The technology company has just signed an agreement with Virako for the lease of over 1,400 square metres of space. Monopolis is the redevelopment of the area of the former Vodka Monopoly distillery, which was once the third largest factory complex in Łódź. The M1 building, which ABB will move into, offers over 7000 square metres of office space on three floors. In total, the multi-purpose complex will offer over 24,000 square metres of office space located in four buildings.

CENTAURUS, OLSZTYN**POLAND** 

Citibank Europe has leased 10,000 square metres of office space at the Centaurus complex in Olsztyn. Dentons' real estate group advised Inopa, the developer of the mixed-use project, during the lease process. Citibank Europe will be the anchor tenant, occupying 80 per cent of the 11,240 square metres of leasable office space. Centaurus includes office and retail space as well as a hotel and a residential building.

WEST 4 BUSINESS HUB, WROCLAW**POLAND** 

Sii Polska has leased 3,500 square metres in the first building of the West 4 Business Hub in Wrocław. Going up on Na Ostatnim Groszu street, construction of the first stage of the project broke ground in February 2019. The building will offer 15,000 square metres of office space. The whole complex will offer 80 000 square metres of office space. Developer of the project is Echo Investment.

MIRO, BUCHAREST**ROMANIA** 

KPMG leased 8,500 square metre at the Miro project, which is being developed by Speedwell in Bucharest's Baneasa neighbourhood. The lease represents about 40 percent of the total space of the project, which recently secured a building permit. KPMG will be able to move into its new office space at the end of 2021.

THE BRIDGE, BUCHAREST**ROMANIA** 

IMSAT Groupe SNEF, a designer and integrator of multi-technical solutions, has moved its headquarters to The Bridge 3 office building. The project, developed by Forte Partners, is located in Bucharest's Grozavesti area. The company leased 3,240 square metres on two floors of the building. Forte Partners sold The Bridge office project to the Dedeman group two years ago.

THE LIGHT ONE, BUCHAREST**ROMANIA** 

Vego Holdings has leased 2,100 square metres of office space at The Light One building in Bucharest. The lease is valid for five years. Vego Holdings will occupy the entire ninth floor of the building, developed by River Development. The Light One is the first of the three office buildings planned for The Light mixed-use project. Located on Iuliu Maniu boulevard, the property offers 21,653 square metres of leasable space on 11 floors.

WESTEND PLAZZA, BRATISLAVA**SLOVAKIA** 

The IT and networking company Marlink has leased 1,400 square metres of office space in Westend Plaza, J&T Real Estate's new office development in Bratislava. Westend business zone is located near the city centre. The locality's key feature is the 17-floor Westend Square. The complex is completed by Westend Court, Westend Gate and Westend Plaza, the latter currently under construction. Westend Plaza comprises 33,000 square metres of gross leasable office space as well as 2,500 square metres for retail.

SUMMER SEASON – TRAVEL SEASON?



Summer season is travel season, but with Covid-19 all holiday plans have been changed or totally cancelled.

This year, a virus has muddled up all holiday plans. Although travelling is possible again, relaxed and happy holidays are different this summer. Mainly the tourism sector and the former popular tourist destinations are suffering from the changed conditions.

After weeks of lockdown it is a reasonable desire to go to other places than the usual neighbourhood, to see something else and to relax. However, this is not as easy. Where to go is the first question. Every country in Europe has its own rules to keep Covid-19 infections low and these rules have to be observed. Many people are afraid of the risk to infect themselves while travelling. And what will happen when being in another country, if one has to stay in quarantine or even become ill? These and other concerns are the reason why many people prefer to stay in their

home country for holidays or at best are in a neighbour country or in a country they are quite familiar with. The pictures of the first tourists happy about the possibility to travel to Mallorca should not be mistaken. Still, most of the popular tourist destinations register an only very moderate number of visitors. Furthermore, who is going there – probably enjoying the fact that it is possible to visit certain locations not with a mass of other people around but calmly and comfortable – does not necessarily book a hotel room, but prefers to stay in a holiday apartment or is travelling by motorhome or caravan.

In short: the hotel industry is severely suffering. As well, after years of a real boom, Airbnb is no longer in demand. Also, cruise ships are mostly still anchored somewhere – they are no longer attractive because of the danger trapped on them if one passenger or crew member

shows symptoms of Covid-19. Yes, there are people taking an aircraft to go to their holiday destination, but the number of passengers is considerably lower than in former times. Also, railways are lamenting about missing travelling clients. And what about business travellers that also could return to their former customs? They, too, are hesitant and especially this clientele has learned how much time and money is to save having business talks via internet instead of being always and everywhere physically present. So, many city hotels developed during the past have lost a great part of their guests.

Economically, the situation is quite a disaster for many making a living from tourism or being active in the tourism industry. Cities like Venice, Barcelona or Dubrovnik, in the past often complaining about the massive influx of tourists, would be happy to have back again at least partly the

mass that in times before Corona filled the streets. On the other hand, Mallorca has already experienced the risk mass tourism can hold: parties on the “German” or “British mile”, all people without masks and without keeping distance. As desperate the Majorcans wanted and want the tourists back, as much they are afraid

not only since the recent past, but since times when there was no low-cost carrier as transport possibility but people travelled by walking or by coach.

In addition to destinations with a seaside, there are others that also have become very popular and where people are flood-

Covid-19 caused a significant break in the tourism sector. Only a very small number of people is still willing to enter an aircraft and to jet around the world. Many people are discovering the beauty and attractiveness of their home region or home country. Perhaps the break is an opportunity for all involved in tourism – industry as well as tourists – to reflect on other forms of holidays and travelling than “the quickest way to the destination, large hotel with all inclusive and then back again”.

A break is to observe also on the hotel investment market. During the last years, hotels have been investor’s darling, especially of long-term oriented institutional investors. In this context there was often to hear: “People are always and increasingly travelling”, and the forecasts did see not only business travellers but an increasing number of private people taking a city break. All these forecasts Corona has upset. The number of tourists in cities decreased significantly. Furthermore, no big events like Oktoberfest in Munich can take place – before the pandemic a golden time for hotels in the city. The same is true for well-attended fairs and congresses bringing many guests to the hotels.

While in Q1, 2020 the investment market for hotel assets was still sound, the investment activities dropped significantly with the spread of the pandemic. After the year had started in Germany with record investments in Q1, 2020 – transaction volume was 71 per cent above the results of the respective period last year –, investments decreased by 27 per cent during the first half of the year in comparison with H1, 2019. Despite the possibility to travel again, occupancy rates are far below the level of times before the outbreak of the pandemic. Given this, developers are reluctant to start with new hotel projects as well as investors keep hands off hotels because currently it is hard to forecast the further development of the market. It is not only a question of concepts. The best concept is of no help when people stay at home because of the risks Corona is causing also and especially by travelling. **I Marianne Schulze**



Travelling is possible again, but many hotels are still nearly empty and waiting in vain for guests.

to become a Covid-19 hotspot. Indeed, since long the island has the problem that it urgently needs paying guests, but want to avoid the respective excesses – the keyword is booze tourism. With this problem they are not alone because many tourist destinations are struggling with this balancing act, and the negative behaviour of “guests” is no way limited to certain nationalities.

That Mallorca and Spain as well as many other countries are desperately hoping tourism will boom again is mainly caused by the fact that they are economically depending on this sector. In nearly all countries around the Mediterranean Sea tourism is an important economic factor, contributing a substantial part to the country’s GDP. In all the Mediterranean countries the weather is mostly better than on the other side of the Alps, beaches and southern lifestyle invite to relax. Last but not least most of these countries have a cultural heritage that is attracting people,

ing the streets. Prague is such an example, Vienna and Budapest as well. There also the number of visitors decreased significantly. This is not only disappointing for hotels, but as well for many restaurants and cafés: they are suffering from the missing demand by those (international) guests that were willing to pay higher prices than locals. Some restaurant owners and managers are already rowing back with prices to attract at least the locals and keep the business ongoing.

Other countries are still “dreaming” of becoming a popular tourist destination. An example is Romania, a country that has a lot on offer, but is still to discover by tourists. For sure, it is often the mass that brings the money, and some facilities are profitable only with a respective “footfall”, but mass tourism has its price mostly paid neither by guest nor those making a living from it, but by environment and people of the respective city, region or country. And certainly, mass tourism is all but eco-friendly and sustainable.

CO-OPERATIVE ENTERPRISES – AN ALTERNATIVE FORM OF BUSINESS

Since some time, there is to observe a re-thinking in society and economy, intensified by the Corona crisis. It can be simplified by the sentence: to put the focus on stakeholders instead of shareholders. A model proved and tested since long are co-operative enterprises.

In the German TV there is currently a series called "plan B" picking up initiatives and examples that demonstrate solutions and alternatives off the beaten track for a lot of social and environmental problems. It ranges from the desire for a more sustainable and healthy life to different forms of living and working. The examples are not only from Germany, but as well from other European countries.

One of the series presented Mondragón Corporación Cooperativa MCC, Spain's biggest co-operative and the seventh biggest enterprise of the country. MCC comprises more than 100 companies active in different sectors like engineering, automotive, household appliances, construction industry, retail (e.g. the supermarket chain Eroski), banks and insurances as well as technology centres. Founded in the 50s of the 20th century in the Basque region, the co-operative has survived all the crises since then better than many other companies. That is true mainly for the staff that does not have to be afraid to lose the job, because if it becomes difficult in one sector people can change within the co-operative to another one. Staff is more than "human capital", they are mostly members of the co-operative, involved in the development of the company's strategy and therefore feeling responsible for success and failure of the business.

It has not necessarily to be a large corporation, sometimes also small co-operatives focused on a certain challenge are the



In June 2020, the co-operative medical centre in Hülsenbusch has been opened.

solution. An example is Hülsenbusch, a village with 1,000 inhabitants located in Oberbergischer Kreis (County), some 50 kilometres east of Cologne. In the 70s of the 20th century the village has been incorporated into the city of Gummersbach, 7 kilometres away. Like many other villages Hülsenbusch was suffering by the fact that for all and everything people had to go to Gummersbach and not even a doctor was in place. Finally also the village pub had to close down.

It started with a co-operative for the pub having meanwhile 213 members. The co-operative took over the pub business and the co-operative members are dividing among each other the operation of the pub.

In this pub also the next idea was born: to establish a co-operative medical centre. In this second co-operative 245 members are engaged and it had private equity of EUR 700,000 to develop a medical cen-

tre requiring an investment of EUR 2.2 million. Financing was provided by Sparkasse (public bank). In June the new medical centre has been opened and now a paediatrist, a general practitioner specialised in internal medicine and a speech therapist are working there. Furthermore, the centre offers a day care facility. So, for the long-term medical care in the village is secured. It is the example of a small village that did not resign to the fact of being left behind like many other rural regions but became active to solve its problems and to take control of its destiny.

Co-operatives are nothing new, partly their tradition goes back to the Medieval Ages. With industrialisation in the 19th century, the first modern co-operatives have been founded in England, then also in continental Europe. The most common forms are consumer cooperatives, housing co-operatives, rural co-operatives and – often emerged from the latter – co-operative banks.



In the former rather poor Basque region the co-operative Mondragón has been founded – today one of the biggest conglomerates in Spain.

When today discussion is about putting a stronger focus on stakeholders instead of shareholders, co-operatives are doing it since long. And it is nothing to wonder about that after 2008 to 2015 the number of co-operatives in the EU increased by 16 per cent (source: Cooperatives Europe, The Association of European Co-operatives). It is not only, but often the more ecologically oriented enterprises choosing this form of organisation.

The most represented is this type of enterprise in Italy, followed by Spain and France – countries with strong labour unions. Also, in UK, Germany, Poland, Norway and Sweden having a long tradition in co-operatives this type of business ownership is very common. Looking at the numbers of employees working for a co-operative, France is on the top, followed by Italy, Germany, Poland, and Spain.

Given ideal circumstances, employees are members of the co-operative and thereby co-entrepreneurs deciding about the business strategy of the enterprise and having directly or indirectly a share in profits. There are co-operatives that have expanded to become big enterprises – an example is Mondragón. But there are also smaller enterprises active only in a certain niche.

Often co-operatives are formed to realise certain goals people have in common – in the agricultural sector to share equipment or to market products or – as in Hülsbusch – to maintain a certain quality of life in the village.

The EU Commission is confirming „the effectiveness of co-operative forms in integrating social objectives“, but mainly in bigger co-operative enterprises the

„social objectives“ are often neglected. The bigger a co-operative enterprise becomes, the more it tends to be at conflict with co-operative values and business requirements. This conflict is also to observe with a mostly successful model like Mondragón, where, however, the creation and maintenance of jobs has still the higher priority than capital interests.

Looking at Westfleisch SCE in Germany, a co-operatively organized meat processing holding – its members are the subsidiary companies –, hitting the headlines (not only) in recent times, co-operative goals and reality diverge. The European Cooperation Society (Societas Cooperativa Europaea SCE) is criticised again and again for missing protection of animals, for their working conditions and for the handling of employees and workers. In the line of fire is mainly the engagement of workers from countries in South-Eastern Europe hired by sub-contractors and their all but worker-friendly working and living conditions. They have nearly no rights, not to mention something like the right of co-determination.

On the other hand, it is often the small and more ecologically oriented co-operatives that include not only their employees as members but feel responsible for all their stakeholders, clients or customers, providers and nature included, and let generally prevail fairness. An example is the FairHandelsgenossenschaft (Fair Trade Co-operative) WeltPartner offering products from all over the world and working together with other co-operatives treating their members fairly. | **Christiane Leuschner**

imprint

Editors: Andreas Schiller (V.i.S.d.P.), Marianne Schulze

Layout: Silvia Hög, www.diehogl.at

Frequency of publication: eight times a year

Publishing House: Schiller Publishing House
Unternehmensgesellschaft (haftungsbeschränkt)
Lohplatz 13, D-51465 Bergisch Gladbach

Managing Director: Andreas Schiller

Registered: Amtsgericht Köln, HR: B 68026

UID: DE270670378

T: +49 22 02 989 10 80, **E:** office@schillerpublishing.de

Articles by authors represent the opinion of the author, and not necessarily the one of the editing office.

For the purpose of information SPH Newsletter may be printed, digitally distributed and placed on the own homepage without any payment or permission. If articles or quotes are placed in either a press review or on the own homepage, it is obligatory to mention SPH Newsletter as source.

The publishing house expressly receives the right to withdraw this general permission in individual cases.

Any reprint or other commercial use made out of SPH Newsletter outside that permitted within the narrow limits of the copyright is subject to permission from Schiller Publishing House.

Any reprint or other commercial use assumes the written permission of the publishing house.

Photography: DisobeyArt – Adobe Stock (p. 1 right), Maksym Yemelyanov – Adobe Stock (p. 1 left), Franck Boston – fotolia.de (p. 11), Sebra – Adobe Stock (p. 13), poplasen – Adobe Stock (p. 14), Dorfgemeinschaft Hülsbusch (p. 15), Basotxerri – Wikimedia Commons (p. 16)

FOR YOUR PLANNING

Planning is currently challenging. It is to hope that the respective events, partly already postponed, will take place at the date envisaged – physically or virtually.

When	What about	Where	For information and registration
1. September 2020	Cities of Tomorrow The New Waves of Urban Migration	online	www.citiesoftomorrow.ro
14.–17. September 2020	Paris Real Estate Week The 1st post lockdown gathering dedicated to property, city and innovation by MIPIM & Propel	Le Centquatre, InterContinental Paris le Grand und La Seine Musicale, Paris, France	www.parisrealestateweek.com
15.–18. September 2020	Real Corp 2020 Shaping Urban Change Liveable Cities for the 21st Century	online	www.corp.at
27.–29. September 2020	16. Salzburg Europe Summit: Europe, Solidarity and Peace Europe and Corona: Hazards and Opportunities	Salzburg Congress, Auerspergstraße 6, Salzburg, Austria	www.salzburg-europe-summit.eu
14.–15. October 2020	Expo Real Hybrid Summit The Hybrid Conference for Property and Investment	online and live ICM International Congress Center, Munich, Germany	www.exporeal.net
17.–19. November 2020	MAPIC The international retail property market event	Palais des Festivals, Cannes, France	www.mapic.com