

SPH newsletter

news

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special

The term "green city" is currently on everyone's lips. But this does not only mean greenery in the city. Other aspects also play a role in the sustainable development of cities.

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background

International investors and project developers are increasingly discovering the residential markets in CEE/SEE, because they are converging with the western markets.

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book review

To be housed is more than living and a house is also the earth on which we live.

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DEAR READERS!



Following our 10th anniversary issue, we received many more congratulations. I would like to thank everyone for this, as we were very pleased with the memories, encouragement and expectations.

Speaking of expectations: We are moving from coolish spring to summer. In this time of increasing unlocking, I am happy that more will be possible again - events and other personal meetings included. It is not only culture and hotels, retail and gastronomy that are drawing new hope.

But a certain scepticism remains. For the situation is ambivalent. New mutations of the virus are still appearing and the pandemic has certainly not been defeated, despite falling incidences. It probably never will be, and the danger of a new pandemic also exists. Rethinking is still called for. Just one example: many market participants tell me in conversations that they continue to plan fewer trips to any appointments. I feel the same way. After some digital conferences, I thought to myself: "And you would have travelled for that, sometimes even by airplane."

Instead, I often sense – as the saying goes: not always, but more and more often – greater mindfulness and a growing awareness of fragility. It is not the worst thing that this lead to fundamental questions and issues. You can read about two of them in this issue after the news: It's about the green city and about housing.

Yours,

Andreas Schiller



The first construction phase of Warimpex's office project in Białystok is scheduled to start this year.

WARIMPEX: BUILDING PERMIT FOR OFFICE COMPLEX IN BIAŁYSTOK

Warimpex has received a building permit for its office complex in Białystok. As part of the project, buildings with a total area of 36,000 square metres will be built in several stages. First stage is scheduled to commence in late 2021. The development area is located in the centre of the city, close to the railway station and bus terminal.

The complex will offer office space across five floors as well as dedicated space with an area of around 5,000 square meters on the ground floor to accommodate retail stores, restaurants, cafés and service outlets. In addition, the building will have two underground levels with parking spaces for 391 cars.

"NET ZERO" STANDARD FOR NEW BUILDINGS IN ROMANIA

In Romania, the NZEB standard, "net zero energy building", is necessary for the construction of all new buildings. This standard is also mandatory for all major renovations. The major renovation is defined by law 372/2005, updated in 2020, on the energy performance of buildings, as intervention at the level of a building that exceeds in value 25 percent of the fiscal value of the building.

CTP WILL BUILD SERBIA'S LARGEST LOGISTICS PARK IN BELGRADE

CTP has completed the acquisition of 27.5 hectares of land close to Belgrade city centre and is moving plans forward to develop CTPark Belgrade Centre, which will become Serbia's largest logistics facility to date with over 130,000 square metres of gross lettable area. The new CTPark will be strategically located 6 kilometres from Belgrade's city centre, 2 kilometres from New Belgrade, and 5 kilometres from Airport Belgrade. CTP is present in the Serbian logistics property market with five logistics and industrial parks in total size of 355,000 square metres of leasable space.

WING TO EXPAND BUDAPEST LOGISTICS PARK

Login Business Park in the north of Budapest, owned by Wing, is set to expand with a new hall offering 5,200 square metres – 4,200 square metres of warehouse space and 1,000 square metres of office space. The development is scheduled to be completed in late summer 2021. The Login Business Park is located in North Pest by the M0 ring road, at the foot of the Megyeri Bridge. Currently, the park is home to one completed hall, with a floor space of 75,000 square metres. This includes a total of 54,000 square metres of warehouse and operational area, with an additional 21,000 square metres of office space and showrooms.



Helaba | 



Q 19

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.

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Values with impact.



Szyperska Office Center in Poznan, completed in 2009 by local project developer Wechta, is the first property in which the Czech fund Investika realitní has invested in Poland.

INVESTIKA REALITNÍ FOND ENTERS THE POLISH MARKET

Investika realitní fond, an open-end mutual fund, has completed the acquisition of a majority stake in the Szyperska Office Center administrative complex in Poznan. For the first time in its existence, the fund is expanding its portfolio beyond the borders of the Czech Republic. The seven-storey building of approximately 19,000 square metres of leasable area and panoramic views of the Warta River is located in the immediate vicinity of the centre of Poznan.

CONSTRUCTION WORKS FOR VGP PARK GYÖR BÉTA KICKED-OFF

VGP kicked-off the construction for the new park VGP Park Györ Béta. The new VGP Park Györ Béta will be the second VGP park in Györ, close to the existing VGP Park Györ. The park is located in the industrial area of Györ, around 4 kilometres from the M1 highway connecting Budapest with neighbouring capitals Vienna and Bratislava.

The park will consist of two buildings with a total lettable surface of 46.000 square metres. The premises will be suitable for logistics, light production and commercial activities. The first building under construction will have a total lettable surface of approximately 13,000 square metres. Delivery of the building is planned for March 2022.

KGAL ACQUIRES VILLA OFFICE IN WARSAW

KGAL Investment Management GmbH & Co. KG is expanding its managed real estate portfolio in the Polish capital. Villa Office, an office property, was acquired on behalf of a pan-European real estate special Alternative Investment Fund from Polish developer, Echo Investment S.A., for around EUR 87 million. The property located on ul. Grzybowska was completed in 2020 and is part of a larger district development project on a former brewery site, where 50,000 square metres of office space and 10,000 square metres of restaurant space will be built alongside 1,000 residential units. The Villa Office itself comprises a total of around 16,700 square metres lettable area.

HAGAG RECONVERTS ANOTHER OFFICE BUILDING IN BUCHAREST

Hagag Development Europe has started the construction works for the reversion of its property Tudor Arghezi 21, located near University Square. The investment amounts to over EUR 4 million. Built in 1966, the building has a gross leasing area of over 4,580 square metres. The reversion process involves the consolidation and the repartitioning of the building. Also the facade of the building will be completely modified.



Avenir Business Park in Prague has changed hands several times in recent years. Tristan Capital Partners bought the property in 2017 from Lone Star, which had acquired it two years earlier as part of a portfolio deal from Aviva Investors.

AFI EUROPE TO PURCHASE AVENIR BUSINESS PARK IN PRAGUE 5

AFI Europe has signed an agreement to purchase the Avenir Business Park office centre in Prague 5, owned by one of the funds of the British company Tristan Capital Partners. The office complex with a total leasable area of more than 25,600 square metres is located halfway between the city centre and Václav Havel International Airport.

The value of the transaction, including certain settlements, is EUR 66.5 million. The transaction will be completed as soon as the seller meets the pre-agreed conditions in the transaction contract.

REFINANCING LOAN FOR DOCK IN OFFICE PARK IN PRAGUE

pbb Deutsche Pfandbriefbank (pbb) and Helaba have jointly underwritten an investment facility, totalling EUR 130 million to refinance "Dock In Office Park" (4 buildings) in Prague for Crestyl Group. pbb and Helaba acted as Joint Lead Arrangers providing equal portions of the funding; pbb also acted as facility and security agent of the transaction.

Dock In Office Park is part of the Dock project in Prague 8 where Crestyl has created a new quarter along the Vltava River offering office and retail space as well as apartments along the marina. Dock In One to Four consist of four office buildings which were completed between 2013 and 2020. Dock In Five is currently under construction and expected to complete in 2022. The combined gross lettable area totals 58,254 square metres.

7R ACQUIRES LAND FOR TWO NEW LAST MILE PROJECTS IN WARSAW

7R has acquired land for two new last mile projects in Warsaw locations. The first will be built on Osmanska Street, near Chopin Airport, and the second, located on Rzeczna Street in Targówek.

The 7R City Flex Warsaw Airport III development on Osmanska Street will offer two buildings with a total leasable area of 24,000 square metres. It will be located 10 kilometres from Warsaw city centre, 500 metres from Warsaw Cargo terminal, 2 kilometres from Chopin International Airport, and only 1.8 kilometres from the S2 expressway. The construction of the buildings on Osmanska Street will start in June of this year, with a planned completion date in Q4 2021.

7R City Flex Warsaw-Targówek will include two warehouse halls with a total area of 31,970 square metres. It is located 8 kilometres from Warsaw city centre, and 13 kilometres from the Chopin Airport. Construction will start at either the end of the year or the start of next year, with completion scheduled for Q2 2022.



S Immo is planning an office ensemble next to the Váci Greens in Budapest. The most significant 11-storey component of the ensemble is located directly on Váci út.

S IMMO AG IS PLANNING OFFICE DEVELOPMENT IN BUDAPEST

S Immo AG is ramping up its development activities in CEE with a new office project in Budapest. An ensemble consisting of three office buildings offering roughly 29,000 square metres of usable space will be built on Váci út. The Prague office of the British architectural firm Chapman Taylor is responsible for the general planning in cooperation with Bánáti + Hartvig Architects. Construction is scheduled to start in 2022. The project is expected to be completed in 2024.

HB REAVIS SELLS PRAGUE PLOT TO PSN

HB Reavis has sold a plot of land in the centre of Prague, which was created by the demolition of the former Transgas complex, to local developer PSN for a record sum of CZK 870 million. HB Reavis originally acquired the brutalist office complex near Wencelas Square from energy conglomerate CEZ in 2014 for around CZK 250 million. The building was demolished in 2019 to make way for the Nová Vinohradská 8 development planned by the company. The sale marks the Slovak company's exit from the Prague market as a developer. HB Reavis continues to focus on the development of its Nová Zvonarka project in Brno and the company also wants to continue developing its network of co-working spaces operating under the HubHub brand.

MACQUARIE COMPLETES POLISH LOGISTICS DEAL

Macquarie Asset Management has acquired the final asset in a EUR 190 million logistics real estate portfolio in Poland on behalf of Bayerische Versorgungskammer (BVK), Germany's largest pension fund. The 276,000-square metre portfolio is comprised of 12 modern logistics facilities at the Hillwood Marki, 7R Park Kokotow, and 7R Park Tczew logistics parks in Warsaw, Krakow, and Tricity. The portfolio was acquired in several stages from 2019 with the acquisition of its final asset, the 21,500-square metre Building C at the Hillwood Marki Logistics Park. Macquarie Asset Management acquired the portfolio from Hillwood and 7R. The logistics properties were developed between 2017 and 2020 and are 100 per cent leased to e-commerce, light production, and third-party logistics businesses.

MLP GROUP SECURES LOAN FROM BNP AND PKO

Subsidiaries of Polish industrial developer MLP Group have secured a EUR 73.4 million loan for financing its portfolio from a consortium of BNP Paribas Bank Polska and PKO Bank Polski. The funds will be used to refinance the existing credit obligations of the companies and, among others, to finance the group's current investment projects.



The Light One in Bucharest is the first of three office buildings in The Light complex, which also includes a residential component and is being developed by River Development.

UNIQA RE COMPLETES ACQUISITION OF BUCHAREST BUILDING

Uniq Real Estate, part of the Austrian insurance group Uniq, has completed the acquisition of The Light One office building in Bucharest from River Development for an undisclosed sum. The Light One is the first building of the whole The Light complex, which will include three office buildings in total and a residential component. The building has a total leasable area of 21,653 square metres.

INDOTEK ACQUIRES FOUR OFFICE BUILDINGS IN WARSAW

Immofinanz has sold four office buildings in Warsaw to the Hungarian Indotek Group. The buildings have a total rental space of approximately 45,300 square metres. The sales price amounts to EUR 72.5 million. The office properties sold are located in the Warsaw districts of Mokotow, Ochota and Włochy.

PBB PROVIDES INVESTMENT LOAN FOR ARES IN POLAND

pbb Deutsche Pfandbriefbank has provided an investment loan facility totalling EUR 115 million to a fund managed by the Real Estate Group of Ares Management Corporation, which will utilise the proceeds for the acquisition financing of a logistics portfolio in Poland. pbb acted as arranger and sole lender under the facility.

The portfolio consists of four newly built warehouse assets located in Gdansk, Sosnowiec near Katowice, Poznan and Wroclaw. The portfolio comprises a total of 285,500 square metres gross lettable area.

NOVÁ KAROLINA PARK BUILDING IN OSTRAVA CHANGED HANDS

One of the most modern office buildings in the centre of Ostrava, Nová Karolina Park, has changed owners. It was bought from the development and investment company Passerinvest Group by the Ostrava investment group RT Torax Group, which is preparing to build the tallest building in the Czech Republic on the adjacent land. The companies have agreed not to disclose the transaction's value.

The Nová Karolina Park building is part of an extensive development project on the territory of the former Karolina coke plant. It is located on Ostrava's main avenue on October 28 and is a kind of gateway to the new Karolina district from the historic centre. The six-storey building, completed in 2013, has 30,400 square metres of leasable space and 280 underground parking spaces.



Heimstaden has acquired the Unicity Living complex with 226 rental flats in Plzen from the Czech project developer Daramis.

HEIMSTADEN BUYS RESIDENTIAL PORTFOLIO IN PLZEN

Swedish company Heimstaden continues its investments in housing in the Czech Republic. The company, which bought Residomo with 42,500 apartments mainly in the Moravian-Silesian Region last year, is now expanding its portfolio with a EUR 22.7 million acquisition in Plzen from Czech developer Daramis. The new assets include 226 flats and 5 non-residential premises.

RESI4RENT OPENS ITS THIRD PROJECT IN WARSAW

A newly opened project at Tasmowa Street with over 370 apartments joins Resi4Rent buildings in Warsaw Brewery and at Suwak Street. The building at Tasmowa Street is located in the Mokotów district, just a 4-minute walk from Warszawa Służewiec station, next to the freeway with the exit to the beltway. The project offers 372 apartments of various sizes and types, of which 4 have been adapted for people with disabilities.

Resi4Rent offers over 1,800 apartments. As a target, the company will have 10,000 apartments by 2025 in the six largest Polish cities – Warsaw, Kraków, Łódź, Wrocław, Gdańsk and Poznań.

PANATTONI INVESTS IN STARGARD IN WEST POMERANIAN VOIVODESHIP

Panattoni is building another logistics centre in Western Pomerania – Panattoni Park Stargard. The new logistics centre is to be built on ul. Metalowa, 10 kilometres from the city centre. Three buildings are to be constructed on a 30-hectare plot with each building comprising just over 57,000 square metres. The park will be 34 kilometres from the A6, connecting Szczecin with Berlin.

VISION APARTMENTS BUYS FORMER RAMADA HOTEL IN BUCHAREST

Vision Apartments announced it signed the purchase agreement of the former Ramada Bucharest Majestic Hotel. The company didn't disclose the value of the transaction. The property built in 1920 is located in the business centre of Bucharest on Calea Victoriei. The historic hotel features 111 rooms and 450 square metres event space, consisting of 6 meeting rooms that can accommodate up to 300 guests. A gym, a spa area with a heated pool, a jacuzzi as well as a bar, a restaurant, and a business centre are part of the property.

Vision Apartments established in Switzerland in 1999 specializes in renting out stylish and furnished serviced apartments.



The Váci Greens D office building was completed in 2018 and offers 16,027 square metres of space. Váci Greens D is the fourth of the six buildings that make up the Váci Greens complex.

GTC ACQUIRES BUDAPEST OFFICE BUILDING

GTC extends its Hungarian portfolio with the acquisition of the Váci Greens D office building in Budapest. Seller of the property is SkyGreen Buildings. The purchase price was not disclosed. The property offers 16,027 square metres of space as well as 246 parking spaces. Váci Greens D, completed in Q1 2018, was sold by its Belgian developer Atenor to SkyGreen Buildings, a subsidiary of Hungarian private investment fund Equilor. Váci Greens D forms part of the six-building, 120,000 square metre Váci Greens office complex developed by Atenor on Váci út to the north of the city centre.

M7 BUYS TWO URBAN LOGISTICS SCHEMES FROM 7R IN SILESIA

M7 Real Estate, on behalf of its M7 CEREF II Fund, acquired two urban logistics schemes from 7R. The portfolio consists of two warehouse buildings located in Siemianowice Slaskie and Sosnowiec in the Upper Silesia Region. The so-called Duo portfolio exceeds 22,500 square metres gross leasing area in total.

The property in Siemianowice, built in 2018, is a warehouse located next to the national road no. 94 in the area of Siemianowice Business Park, with access to the A1 motorway and the S86 and S1 expressways.

The property in Sosnowiec, built in 2015, is a warehouse and office building situated 1.2 kilometres from the S86 expressway with a good connection with the centre of Sosnowiec and other cities of the Silesian Metropolitan Area.

ELEMENT GROUP BUYS LAND FOR LOGISTICS PROJECT NEAR PITESTI

Real estate developer Element Group has announced the acquisition of a new land plot of 2.7 hectares, close to A1 highway, at the entrance of Pitesti city, in southern Romania. The transaction is part of the group's expansion efforts in smaller cities, which includes the development of warehouses near or inside urban area. Under the Eli Parks brand, Element Group has developed a logistics project near Bucharest.

ABERDEEN STANDARD ACQUIRES LOGISTICS HUB IN LODZ

Aberdeen Standard European Logistics Income PLC (ASLI) has announced the signing of the purchase agreement for the acquisition of a logistics and distribution property in Lodz. ASLI will acquire the asset for EUR 28 million from Panattoni. The 31,500-square metre Panattoni Lodz City VIII Logistics Centre consists of 27,888 square metres of warehouse space and 3,612 square metres of office space.



The Woloska 24 office building in Warsaw's Mokotów district was sold by Ghelamco to a Czech fund for over EUR 60 million.

GHELAMCO SELLS WARSAW OFFICE BUILDING TO CZECH FUND

Włoska 24, an office building developed by Ghelamco has a new owner. It is a Czech investment fund, ZFP realitní Fond, managed by ZFP Investments which is a subsidiary of Slovakia's IAD Investments. The value of the transaction amounted to over EUR 60 million. Włoska 24, developed in 2016, is located in Warsaw within the Mokotów district. It has a total of 23,500 square metres of office space. The building offers 518 parking spaces.

IMMOFINANZ ACQUIRES BUCHAREST FINANCIAL PLAZA

Immofinanz has acquired the Bucharest Financial Plaza office building in the city centre of Bucharest. The property was sold by Banca Comercială Română (BCR), the largest financial services group in Romania and a subsidiary of the Austrian Erste Group Bank. The building, with gross rentable space of around 27,700 square metres (post-conversion), was BCR's head office until last year. The costs of the transaction amount to approximately EUR 36 million.

NEW OWNER OF LOGISTICS PARKS IN BYDGOSZCZ AND STARGARD

South African Fortress REIT has acquired two logistics parks – Waimea Logistic Park Bydgoszcz and Waimea Logistic Park Stargard – from Griffin Property Finance. This is the first direct acquisition in Poland by Fortress REIT. The value of the transaction has not been disclosed.

Waimea Logistic Park Bydgoszcz offers 48,300 square metres of warehouse space with the possibility to expand to 91,000 square metres gross leasing area. Waimea Logistic Park Stargard comprises of an existing hall of 11,500 square metres and the potential to expand to approximately 80,000 square metres.

MITISKA SECURES REFINANCING FOR ROMANIAN PORTFOLIO

Mitiska REIM has secured a EUR 123 million senior debt facility for its entire retail park portfolio in Romania from Erste Group Bank AG. The Romanian portfolio is encompassing 24 retail parks with a gross leasable area of 132,000 square metres. It was developed, built, and managed by Mitiska REIM and its Romanian country partner, Square 7 Properties over the past 10 years. Proceeds of the financing will be used to fund the completion of a new retail park under construction in Baia Mare, extension development projects for existing retail parks in Tulcea, Slatina, and Medias, and provide liquidity to the shareholders of the SPVs after having funded the growth of the portfolio.

STAFFING



left: Henning Koch
right: Ben Maudling



left: John McKie
right: Waldemar Olbryk



left: Herwig Teufelsdorfer
right: Daniel Thum

Henning Koch is new Chief Executive Officer of Commerz Real and Chairman of the Management of Commerz Real Investmentgesellschaft mbH. Henning Koch is succeeding Gabriele Volz, whose appointment as a Member of the Board of Commerz Real AG ended on 30 April 2021. Henning Koch has been a Member of the Board of Management of Commerz Real AG, with responsibility for Transactions and Asset Management, since April 2020. He has been with the company since 2017, initially responsible for all international real estate and sales activities as Global Head of Transactions. Prior to this Henning Koch worked at Credit Suisse for more than 11 years. There he was responsible for the international transactions for real estate investment products as Head of Acquisition & Sales Europe from 2003 onwards. Henning Koch embarked on his professional career at the real estate services provider Savills in Frankfurt am Main and London.

Ben Maudling has been appointed Managing Director for Central and Eastern Europe of Garbe Institutional Capital. Based in Prague, he will head the company's expansion into the CEE region, initially focused on the Czech and Polish markets. Ben Maudling joins Garbe Institutional Capital from Savills, where he was Head of Key Clients EMEA and previously the CEO for the Czech and Slovak Republics. Prior to that he was the Managing Director of Palmer Capital Investments, Aston REIM and Invesco Real Estate (in the Czech Republic) and CBRE's Czech branch. In 1994 he set up his own consultancy, Aston, which was acquired by CBRE in 1999.

John McKie joined CA Immo Hungary as Managing Director on 1 June 2021. In this function, he takes over responsibility for the Hungarian business activities, including asset management, leasing, marketing and tenant relations. John McKie is an experienced real estate professional, who has worked mainly in international real estate companies with a particular focus on the retail sector, the last being with INGKA Centres (IKEA) looking after projects throughout Europe.

Waldemar Olbryk resigned from the position of a Member of the Management Board of Echo Investment due to assuming the position of CEO of Archicom. Since October 2017, Waldemar Olbryk has been a Member of the Management Board of Echo responsible for the housing business. He started his professional career at BP (British Petroleum) in the retail and real estate departments, then moved to Apsys Polska as Projekt Manager. Afterwards he was active with Philips as Real Estate Project Manager dedicated to developing and running the investment project European Accounting Center in Lodz. Then he changed to Skanska where in the beginning he was responsible for the operations for the South of Poland, before he became President of the Board of Skanska Commercial Development in Poland.

Herwig Teufelsdorfer has been appointed as S Immo AG's Chief Investment Officer. Since 2019 Herwig Teufelsdorfer has been first COO, then CEO at 21st Real Estate GmbH in Berlin. Prior to this he has been COO of BUWOG.

Daniel Thum is Head of Investments Real Estate at Erste Immobilien KAG since the beginning of April. He is responsible for transaction management as well as various asset management tasks. In addition, he is also Head of Investments Real Estate in the Erste Asset Management GmbH. After graduating at the University of Applied Sciences in Wiener Neustadt in 2005, Daniel Thum worked for several Austrian real estate companies in leading positions.



LETTINGS

MISSOURI PARK, PRAGUE

CZECH REPUBLIC 

CA Immo acquired another tenant for the newly prepared Missouri Park office building, which is currently under construction in Prague 8 – Karlín. Law firm Allen & Overy has leased a total of 1,400 square metres of office space. Missouri Park and Mississippi House, developed by CA Immo, are expected to be completed in July this year. Both buildings are part of the River City Prague office complex on Rohanské nábřeží. Together, Missouri Park and Mississippi House, have almost 21,000 square metres of leasable space, bringing the total volume of offices within River City Prague to more than 80,000 square metres. CA Immo's investment in the Missouri Park and Mississippi House buildings will reach approximately EUR 65 million.

THE FLOW BUILDING, PRAGUE

CZECH REPUBLIC 

Law firm Wilsons has signed a lease agreement for 800 square metres of office space in The Flow Building. Situated on Wenceslas Square and developed by Flow East, The Flow Building offers a total of over 15,000 square metres of office space and 6,000 square metres of retail space.

GDANSKI BUSINESS CENTER, WARSAW

POLAND 

Polish video games developer Techland has decided to extend its 900 square metres office space lease agreement in the Gdanski Business Center complex in Warsaw. Axi Immo advised the tenant on its lease. Gdanski Business Center has been developed by HB Reavis. Completed in 2016, the four buildings with nearly 100,000 square metres of leasable space are located near Dworzec Gdanski Metro Station. The complex has been acquired by Savills Investment Management on behalf of a global pension fund.

MONOPOL, WARSAW

POLAND 

Raiffeisen Bank International AG will take up 1,500 square metres of office space in Monopol office centre in Warsaw. The lease was negotiated by Colliers International. The Monopol complex will comprise two buildings with a total area of 17,500 square metres developed by Liebrecht & Wood next to the Koneser mixed-use project. Koneser is a conversion of a former vodka distillery in Warsaw's Praga district.

NORBLIN FACTORY, WARSAW

POLAND 

The Directors Guild of Poland (in Polish: Gildia Reżyserów Polskich) joins the group of tenants of Norblin Factory revitalized by the Capital Park Group. The most important Polish association of film directors will move its registered seat here, and will also become one of the most important animators and organizers of cultural life in the former factory. The Norblin Factory will comprise 65,000 square metres of usable area, 41,000 square metres of which are offices, and the remaining 24,000 square metres will be filled with entertainment, food, service, retail, culture and wellness concepts.

3T OFFICE PARK, GDYNIA

POLAND 

Asseco Poland S.A. joined the group of tenants of 3T Office Park in Gdynia. The Polish IT company has decided to rent 3 out of 10 floors in tower A. The total area of Asseco's office will be 3,746 square metres. 3T Office Park is the largest office project currently under construction in the Tri-City. The total leasable area of the complex is 38,500 square metres. 3T Office Park consists of three towers (with 10, 13 and 10 floors, respectively) with a common basement of a two-storey garage hall (405 parking spaces and 250 bicycle stands). The facility will be put into operation in mid-2021.

BUCHAREST BUSINESS PARK, BUCHAREST

ROMANIA 

Sony Romania extended its leasing contract for office space in Bucharest Business Park, owned by CA Immo for 5 more years. The company has rented a 400-square metre office since 2005. CBRE brokered the transaction. Bucharest Business Park consists of four buildings with a total of 26,700 square metres lettable area. The business park is located on Soseaua Bucuresti-Ploiesti, the main road leading to Bucharest international airport, just three kilometres north of the city centre.

IRIDE PARK, BUCHAREST

ROMANIA 

ImmoFinanz has concluded a long-term rental contract for roughly 11,000 square metres with the Provita Group, one of the leading medical centre providers in Romania. Provita will occupy the entire space in the Iride eighteen, a recently modernised building in the Iride Park, where it plans to open a multi-disciplinary hospital. The rental contract covers a term of 25 years. The Iride Park is located in the north of Bucharest on Dimitrie Pompeiu Boulevard, 8 kilometres from Otopeni International Airport.

MENDELEEV OFFICE 5, BUCHAREST

ROMANIA 

Real estate developer Akcent Development has leased 780 square metres of office space in Mendeleev Office 5. The new tenants are Ototo Store, a coffee store and shop, and in-tech, a company that projects the mobility of the future, developing innovative solutions for the automotive and smart mobility sector sectors. Mendeleev Office 5 is located in central Bucharest and has a total leasable area of 4,500 square metres. The office building is managed by Cushman & Wakefield Echinox.

NEW APOLLO, BRATISLAVA

SLOVAKIA 

One of the world's largest IT companies has picked New Apollo, currently under construction by HB Reavis in Bratislava's New Nivy zone, as the new home for its Slovak operations. The new tenant will occupy almost 30,000 square metres. The office building is scheduled to be completed in 2023, with a total leasable area of almost 48,000 square metres across seven above-ground floors. The project has been designed by British architectural studio Make Architects in partnership with local studio Siebert+Talaš.

WHAT DOES “GREEN CITY” MEAN?



Four different locations, one question: Where would you most likely want to stay?

The buzzword “green city” is on everyone’s lips, and almost every city has adopted it as a goal. There are national and international institutions, consulting firms and scientific publications that deal with the topic. But what are the characteristics of a “green city”?

Climate change, but even more the pandemic, are bringing the topic of the city into focus. Everything that people used to appreciate about city life has more or less disappeared because shops and cultural institutions as well as sports facilities were

locked down. Instead, people are seeking relaxation in nature in and around the city. Parks are crowded, local recreation areas are sought-after destinations, paths along rivers or lakes are populated. Perhaps this will lead to a different relationship with nature in the long term – with greater awareness of the possible threats to our natural resources and with the insight that people should not only “dominate” nature, but being part of it also preserve it.

For a long time, nature and the city seemed to be a contradiction in terms.

For some time now, masterminds have been trying to rethink both. And the pandemic and the experiences associated with encourage this development.

It is also an often-repeated phrase that the climate issue will also and above all be decided in the cities. In the past, discussions focused primarily on the building stock and its energy consumption, increasingly also on the issue of land scarcity and the question of further urban densification became topics. Now, however, we learn that it is just as necessary to bring nature back into the city, that cit-



The goal in Milan is to design places in such a way that they offer quality of stay and to break up the dense city with greenery.

ies need green spaces and open water areas as well as public areas with a pleasant atmosphere, where children can run and play, people can observe life around them or play sports ... in short: where despite the pandemic everyone feels good and can participate in life instead of being locked away in their apartments.

Add to this the problems of the inner cities, often little attractive, the issue of traffic, the increasing lack of affordable housing, and the changing economic environment. Nothing less is required for the city than to "reinvent itself," something that cities have had to do and have done time and again throughout history.

Why don't we stroll through the city centres when the shops are closed due to the pandemic? Simply because pedestrian zones look rather uncomfortable if the gastronomy does not provide a few flower tubs and room dividers for a pleasant interruption. Chairs are now up or put together, and apart from gastronomic establishments, city centres often offer few opportunities to sit down. Trees and other greenery are often sought in vain,

not to mention flowerbeds in full bloom – if they once existed, they have fallen victim to the red pencil in most cities because they need permanent care and that means permanent costs. Inhospitable and neglected lawns serve at best as dog toilets, but certainly not for people's pleasure. Yet it is precisely these things that we appreciate about some cities when we travel – inviting places, lots of greenery, parks and public gardens.

But that is only one side of the coin. A lack of open spaces, a lack of greenery and a high degree of density create neighbourhoods which are not really attractive. If they are also surrounded by busy roads, you can no longer talk about quality of life, because instead of light and air, noise and emissions prevail.

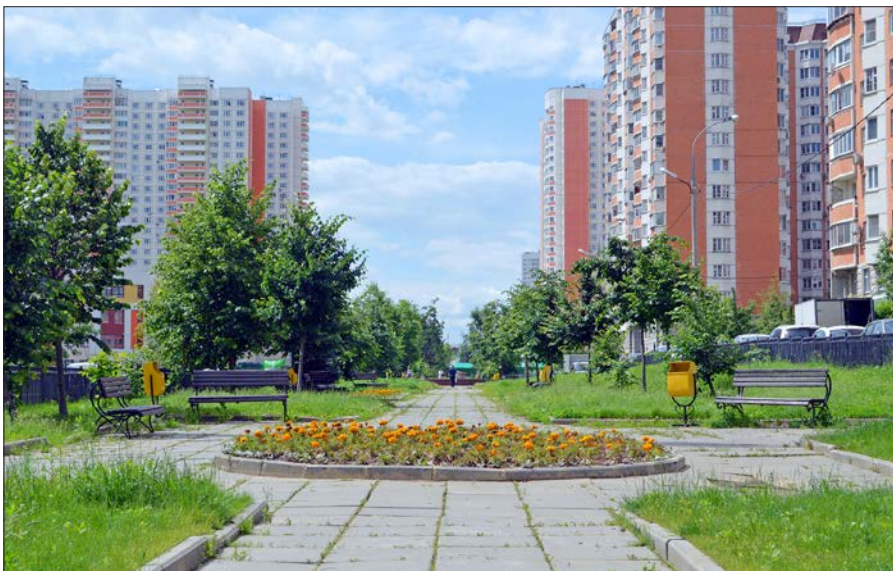
With climate change, another problem is that in the increasing heat waves in summer, the city turns into an oven where temperatures hardly drop at night. Therefore, it is becoming more and more important to develop (green) fresh air corridors in cities, through which cooler and fresh air can flow in at night, which help to improve air quality and which contribute

to recreation and relaxation areas where people like to move around.

Milan is showing what this can look like with the *Raggi Verdi*, the "green rays". Milan does not have the best climate due to its location in the Po Valley – high humidity, a lot of fog and hot summers. The city is also a dense built-up area that has so far only opened up to green spaces and public squares in a few places.

As early as 2005, the *Raggi Verdi* Master Plan for Milan was drawn up, which laid the foundation for the city's future open space design and was incorporated into the land use plan. Eight "green rays" with footpaths and cycle paths extend from the so-called Spanish walls (which once enclosed what is now considered the city centre) in a radial pattern across the entire city area. They extend towards the edges and culminate in a 72-kilometre-long green belt on Milan's periphery.

The architectural firm LAND (Landscape, Architecture, Nature, Development) has further developed the concept for Milan, combining existing green spaces with new parks and, above all, using former



Flower borders are recreation for the eyes and let seasons become clear.

industrial and redevelopment areas to implement the concept. A further effect is that the inner city can be relieved of traffic, if one can reach the centre from the periphery via bicycle paths.

However, these public spaces not only have a climatic, but a social aspect as well. The most diverse people meet here and learn to get along with each other, perhaps also learning that the supposed stranger is not so strange at all. The keyword is "inclusion instead of segregation".

Segregation is as old as the city. In the medieval city, for instance, different professions – craftsmen and merchants – lived in separate quarters. As well there have been quarters segregated according to religious affiliation – the Jewish quarters were the most common.

Today, there are more affluent neighbourhoods compared to those of the socially weaker, or even neighbourhoods in which a certain immigrant group lives in the majority. Similarly, the much-maligned gentrification is actually nothing new, but

a process that is to be observed in all cities in the long term.

Both, segregation and gentrification, often contribute to social polarisation. The opposite is mixed neighbourhoods in which different social groups live. However, this mixing does not happen on its own – or in other words: the market alone will not ensure it, on the contrary. This is where city leaders are called upon.

The fact that such mixed neighbourhoods are possible is demonstrated in Swedish and Finnish cities by the newer districts that have been developed on former industrial sites and where social housing has deliberately been built alongside high-quality apartments.

Mixed neighbourhoods or urban districts does not only mean social mixing, but also functional diversity. This functional diversity encompasses more than living and working, it also includes shops, social facilities such as kindergartens and schools, medical and other services as well, cultural offerings, sports facilities and much more.

The goal is the "city of short distances", where everything that people need can be found within walking and cycling distance of the respective residential location. It is ultimately the model of the polycentric city that the Spanish urban planner and architect Pedro D. Ortiz called for at Real Corp 2020.

Apart from the fact that this polycentrism can also help moderate traffic – if you have everything in your neighbourhood, you don't have to drive across the city to get it – it also promotes identification with the respective residential location and thereby civic engagement for one's own environment. It is the often cited "human scale", it is the smaller structures with which people identify, not the anonymity in which no one feels responsible for their surroundings and which promotes rather than avoids social hotspots. | **Marianne Schulze**

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THE HOUSING MARKETS ARE CONVERGING



The market for condominiums in CEE/SEE is booming. Western project developers are also increasingly discovering the market.

International investors and project developers are increasingly discovering the housing markets in CEE/SEE. Here, as almost everywhere in Europe, prices and rents for housing have risen, and usually much more significantly than employee incomes or the respective inflation rate. In some places, however, this development causes problems already well-known in Western cities.

According to Eurostat surveys, from the fourth quarter of 2010 to the fourth quarter of 2020, rents in Europe rose by an average of 14.9 per cent and purchase prices for residential property by 28.6 per cent. Estonia (112.8 per cent),

Luxembourg (99.8 per cent), Latvia (85.6 per cent) and Austria (81.4 per cent) recorded the highest increases for residential property, while average purchase prices fell in Greece (-28.1 per cent), Italy (-15.2 per cent) and Spain (-5.2 per cent).

Rents show a somewhat different pattern: the highest increases were recorded in Estonia (143.5 per cent), Lithuania (109.2 per cent) and Ireland (61.8 per cent). In contrast, rents declined in Greece (-25.2 per cent).

However, there are considerable differences between the individual countries that have to be taken into account. While

especially in the Eastern European countries the home ownership rate is very high – in Romania, for example, 95.8 per cent of the people live in owner-occupied flats, the rate is lowest in the Czech Republic (78.6 per cent) and in Slovenia (74.8 per cent) – Austria, Germany and Switzerland tend to be tenant markets with ownership rates around 50 per cent.

The high proportion of home ownership in the Eastern European countries is related to the fact that with the end of communism, the majority of state-owned flats were offered to their respective occupants for purchase at very favourable conditions. However, many of these flats are in urgent need of renovation, for

House prices and rents

Changes between 2010 and fourth quarter 2020 (%)



¹ House prices: Instead of 2020Q4 data, 2020 annual estimate by Bank of Greece.

Source: Eurostat (online data codes: prc_hpi_a, prc_hpi_q, tipsho20, prc_hicp_a, prc_hicp_mid)

Housing is becoming more expensive in almost all European countries.

which some owners lack the necessary funds. Those who have sufficient funds, on the other hand, prefer to look for a modern, newly built flat.

With the extensive privatisation of housing 30 years ago, the state and municipalities initially pulled out of this area. What they were often left with were flats that the residents did not have the money to take over as property or that the residents did not want to take over either.

In 30 years, however, a new generation has grown up that wants to set up its own household and is looking for a flat to do so. And not all of them can or want to afford a condominium.

In this respect, the issue of "lack of affordable housing" is not only pressing in the cities of the West, but now also in CEE/SEE. Because the stock of rental flats is limited, they are comparatively expensive on the free market and unaffordable especially for the socially weaker.

This development is most evident in the Czech capital Prague. Although the market for condominiums is booming, prices have risen by around two-thirds in the last ten years and have more than doubled since 2015, when prices plummeted at times.

Although the demand for new flats remains high, socially disadvantaged people in particular can no longer afford them. Of the total of 194,000 flats that the City of Prague had in 1991, more than four-fifths were lost via privatisation, leaving the City with only 31,500 flats in 2019.

The housing shortage and the increase in housing prices are currently one of the most discussed problems in the city. One of the attempts to solve the problem is that the City itself will build new flats on a larger scale – the goal is to increase the stock by around 500 new flats per year by 2030.

Another component of the programme is the promotion of housing cooperatives – an instrument that was already developed at the end of the 19th century. In Germany, housing cooperatives were very successful for a long time after the Second World War in rebuilding the housing stock as well as in social housing construction.

That the demand for rental flats in general is increasing is shown by the growing involvement of Western real estate companies in these markets in CEE/SEE. A pioneer was Griffin Real Estate, which took over Echo, one of Poland's largest developers, in 2015 and set up the Resi4Rent platform. Currently, Resi4Rent offers around 1,800 flats in major Polish cities. The target is a total portfolio of around 10,000 rental flats.

Recently expanding to rental housing markets in CEE/SEE is the Swedish housing group Heimstaden Bostad, which last year invested first into the Czech Republic and then further into Poland. In 2020, Heimstaden acquired a portfolio

of 42,584 residential units from funds advised by Round Hill Capital and Blackstone Tactical Opportunities. The majority of the flats is located in the Moravian-Bohemian region and a third in Ostrava. This year, another 226 residential units were added in Plzen.

Last year, Heimstaden also set foot on the Polish market and acquired 640 residential units in the Warsaw districts of Praga Północ and Sluzewiec. This year followed the acquisition of three rental housing projects with 647 units, also in Warsaw. In addition, the company has contractually secured a further 1,350 residential units currently under development.

For a long time, the market for condominiums in CEE/SEE was almost exclusively served by local developers. Word has now spread internationally that this market segment offers good opportunities.

Skanska, which develops office projects in Poland, Romania, the Czech Republic and Hungary, has been serving the condominium market in Poland since 2011 with its own division, Skanska Residential Development Poland.

In the Czech Republic, Skanska also repeatedly develops residential buildings in addition to commercial projects, although these are usually only individual and smaller projects or – as is currently the case in Prague Port7 – as part of a multifunctional project.

TREI Real Estate, the real estate arm of the German Tengelmann Group, has also entered the residential market in Poland. The company is not only expanding with its Vendo Park retail parks, but has also been developing condominiums since 2019, with a focus on the cities of Warsaw, Wrocław, Gdansk, Lodz and Poznan.

The Belgian project developer and investor Atenor, previously involved in office projects in Warsaw, Budapest and Bucharest, is now also putting out feelers on the residential property market. In the

Romanian capital, construction has just begun on UP-site Bucharest – two high-rise buildings with 12 and 25 floors and a total of 270 residential units. UP-site Bucharest is being built in the rather high-

most everywhere in 2020. The first figures for 2021 also show no change in the general trend. No wonder the construction cranes are turning in all major cities.



Up-site Bucharest is being developed by the Belgian company Atenor..

priced Floreasca district and will also offer its residents a spa with swimming pool and fitness centre. According to Atenor, half of the flats have already been sold.

In Budapest, Atenor recently acquired land totalling 82,861 square metres in the XI district to develop Lake City, a residential project with a total of 1,326 units. Building permission has already been granted for the first of the planned eight construction phases.

But whether Poland, Romania, the Czech Republic or Hungary – the market for residential real estate is booming and reached record transaction volumes al-

Yes, prices are rising, but so are costs. And the less supply can satisfy demand, the steeper prices go up. Prague is another – in this case: bad – example: the approval procedures for housing projects are complicated and lengthy. This not only makes the respective project more expensive, it also leads to significantly less being built than is in demand.

If the goal is that the markets in East and West converge, in the housing sector we have already come much closer to this goal. The less positive effects is that also in CEE/SEE the problems Western cities have to deal with are increasing. | **Christiane Leuschner**

TO BE HOUSED IS MORE THAN LIVING

"The living space is the room for resonance of life, an extended corporeality of the human being". This is one of the key sentences why the publicist Kurt E. Becker has looked around in the literature on the subject of living and conducts fictitious interviews with 77 personalities on different aspects of being housed.

The focus is not only on dwelling itself, which reflects cultural history, but also on the aspect of the earth as the home of all of us and thus the question of what we make of it and what our attitude to it is.

The range of "interview partners" is from Augustine to Stefan Zweig and from the ancient world to the present.

Topics are general aspects of anthropology, the relationship between human being and nature, and architecture, its effect and assessment. It is about autobiographical conversations in which being housed is at the centre, whereby not only the external dwelling can be meant, but also the emotional side of security.

In the conversations about ethics, the focus is on possessions and the pursuit of possessions; when it comes to the topic of culture, one is amazed that beauty and comfort of living are always decisive aspects of housing throughout the ages, but in a conversation with Cicero, housing is

also mentioned in the context of the role of human being on earth and for nature.

But housing also has a psychological, a social and an economic side. In this respect, Freud cannot be omitted from the psychological interpretation of housing, and among the social aspects, one encounters the topic of housing shortage and lack of affordable housing as early as the 19th century.

Kurt E. Becker already explains the linguistic connection between economy and being housed in the introduction: in Greek, *oikos* is the house, a word to which the term economy also goes back. This chapter is complemented by the philosophical discussions that follow, in which the role of human being is considered in connection with his being on earth.

And last, but not least, the discussion of the topic of the city is not to be missed. The book concludes with a look at the utopias of Francis Bacon, Tommaso Campanella and Thomas More.

What makes the reading so informative and yet entertaining is the unsurprising fact that many topics that concern us today were not unknown in the past and that some answers to today's questions seem very modern despite the distance in time. In any case, the book offers a



Kurt E. Becker
Der behauste Mensch – Von vier Wänden und einem Dach über den Kopf
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lot of material and food for thought. Unfortunately, the book is only available in German.

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