

SPH newsletter

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DEAR READERS!



Welcome to the June issue of SPH Newsletter. Beside the news from the CEE countries and companies you will find a review of the 12th Annual Summit of the Association of Real Estate Investment Companies in Turkey Gyoder in Istanbul. Another look we have at the city of Ostrava in the Czech Republic because aside from capitals and metropolises there are interesting locations for developments and investments as well. And we would like to get you in the mood for a new real estate conference that will take place on June 14, 2012 in Vienna. The Austrian publishing house "Gewinn", organiser of the conference programme of "Real Vienna", has decided to dedicate again the real estate market in Central, Eastern and South-Eastern Europe a conference although "Real Vienna" was cancelled. I am very happy about this commitment and will moderate two panel discussions of this conference in Vienna.

Previously there are taking place two real estate expositions, unfortunately at the same time: "Expo Italia Real Estate" in Milan and "Provada" in Amsterdam. This year we have decided to take part in "Provada" in Amsterdam (June 5–8, 2012), because the commitment of Dutch real estate companies in CEE/SEE should not be underestimated. Still the recommendation is valid: "Keep in touch with the Dutch!"

I am looking forward to meet the one or other of you at "Provada" in Amsterdam or at the "GEWINN Real Estate Conference" in Vienna. But first of all I hope you will enjoy reading our SPH Newsletter.

Yours

Andreas Schiller



On a land plot of 1.85 hectares in the town center of Elk the Brama Mazur Shopping Center will be developed by Master Management Group.

MASTER MANAGEMENT GROUP WILL DEVELOP SHOPPING CENTRE IN ELK

Polish retail space manager and developer Master Management Group has purchased a plot of land in Elk, a town with 60,000 inhabitants in the Warmian-Masurian Voivodeship, in order to build the two-storey Brama Mazur shopping centre with the total GLA of 16,250 square metres and a 600-space underground car park. The plot, covering an area of 1.85 hectares, is located in the town centre, and was bought from the Elk City Hall in a tender procedure.

MULTI UKRAINE WELCOMES AMSTOR AS ANCHOR FOR FORUM LVIV

Multi Development Ukraine, developer of the Forum Lviv shopping centre, welcomes another anchor tenant. Following the signing of Comfy in Forum Lviv, the preliminary lease agreement has been signed with Amstor, one of the leading Ukrainian supermarket networks. The supermarket in Forum Lviv will be Amstor's flagship for Western Ukraine. The supermarket will be located on the ground floor and will measure some 2,700 square metres.

Forum Lviv will be located in the city centre of Lviv. The three-storey shopping centre will be topped by a level containing a cinema, leisure facilities and restaurants that overlook the city. Total built area of the project is 69,000 square metres (GLA 36,000 square metres). It will also have an underground parking garage of 620 places. The opening of Forum Lviv is planned for the beginning of 2014.

GLOBUS ACQUIRES LAND PLOT IN MOSCOW REGION

German retailer Globus has acquired a land plot in the Moscow region for RUB 755 million (EUR 19 million). Located on a former industrial area in Korolyov, the land totals 11.2 hectares where Globus is planning to build a hypermarket. Seller of the land plot is the Russian PIK Group. Currently, Globus is actively developing its presence in Russia with five hypermarkets in different cities.

HANNOVER LEASING HAS SOLD CITY CENTER IN CESHÉ BUDEJOVICE

Hannover Leasing has sold the office building City Center in Ceshé Budejovice. Located in the heart of the third largest city in South Bohemia, the Class A property was completed in 2008 and acquired by Hannover Leasing in the same year. City Center comprises about 21,000 square metres office and retail space. Cushman & Wakefield and Clifford Chance have accompanied the transaction. The name of the purchaser and financial details were not disclosed.



4D Kodanská Office Center in Prag changed hands: Endurance Fund, managed by Orco Property Group, has sold the complex to Czech Daramis Group.

ENDURANCE FUND: 4D KODANSKÁ OFFICE CENTER IN PRAGUE SOLD

Endurance Real Estate Fund, managed by Orco Property Group, has sold 4D Kodanská Office Center in Prague to Daramis Group for the total price of around EUR 20 million. The office complex is located in Prague 10 at the intersection of Kodanská and Kavkazská streets, approximately 3 kilometres southeast from the commercial and historical centre of Prague. 4D Kodanská Office Center was constructed in the 1970s, however was externally and internally refurbished between 2002 and 2007. It offers around 26,000 square metres of net rentable area. Jones Lang LaSalle represented the seller in this transaction.

NOVA PARK COMMERCIAL CENTRE IN GORZÓW WIELKOPOLSKI COMPLETED

NoVa Park Commercial Centre located in the Polish city of Gorzów Wielkopolski has opened its doors to the public. The shopping and recreational centre is part of a joint project between Hungarian Futureal Group and Irish Caelum Development. The project was initially launched by Caelum Development and was joined by Futureal Group as a development partner in the first half of 2011. With 32,400 square metres commercial area NoVa Park is the largest shopping and recreational centre of the Lubuski region in northwestern Poland. Based on the agreement between the investors, Apsys Management will be in charge of managing the facility.

IMMOFINANZ: FINANCING AGREEMENT WITH RUSSIAN SBERBANK

Immofinanz Group and Russian Sberbank have concluded a long-term financing agreement with a volume of up to USD 715 million (approximately EUR 545 million). This 10-year loan will be used by the project development company, above all to repay the development financing provided by the parent company for Golden Babylon Rostokino shopping centre in Moscow. Golden Babylon Rostokino shopping centre with 241,000 square metres of total space was developed as a joint venture with Patero, a local company, and opened in November 2009. An agreement to acquire the remaining 50 percent of the Golden Babylon Rostokino from the co-owner Patero was signed in March 2012.

ORCO SELLS RADIO FREE EUROPE BUILDING IN PRAGUE

Orco Property Group has sold the Radio Free Europe/Hagibor Office Building in Prague to a subsidiary of the L88 Companies (www.l88llc.com), an American owned business, for an overall transaction value of USD 94 million (EUR 74 million). Orco was advised by Salans, DLA Piper represented the buyer.



French retail group Auchan will be the developer of Coresi Shopping Center in the city of Brasov in Romania.

AUCHAN TAKES OVER DEVELOPMENT ROLE IN BRASOV

French retail group Auchan took over the development of the Coresi Shopping Center in Brasov, Romania. The project, located on the grounds of the former industrial plant Tractorul, was originally started by the developer Centerra, but stalled.

The first phase of the project includes a shopping centre, to be built on 23 hectares of land, followed by a retail park (on 15 hectares), a residential area (26 hectares), plus a business and technology park, each of which will be placed on 11 hectares of land. The first priority, however, is construction of the Coresi Shopping Center, which will accommodate an Auchan hypermarket (16,000 square metres GLA) and a shopping centre of 25,000 square metres GLA, including an entertainment and leisure centre. The retail area will also contain big boxes for a DIY operator, a drive-in restaurant, a gas station and a car service. The investment for the first phase, excluding the price of the land, is estimated at EUR 55 – 60 million.

NEINVER STARTS DEVELOPMENT OF SECOND OUTLET IN WARSAW

Spanish retail real estate company Neinver has launched construction on Factory Warszawa Annopol, the company's second outlet centre project in the Polish capital. The scheme is located between ul. Annopol, ul. Torunska and ul. Białolecka in Warsaw's Białoleka district. Factory Annopol will provide 120 stores on completion in Q1 2013. A parking lot located in front of the building will provide parking spaces for 1,400 cars. The scheme, offering nearly 19,700 square metres of space, will be the largest outlet in the Mazovia region and represents an investment of EUR 35 million.

PROLOGIS LAUNCHES SPECULATIVE DEVELOPMENT IN SLOVAKIA

Industrial real estate company Prologis announced commencement of construction of a 47,000 square metre development at Prologis Park Bratislava. Prologis Park Bratislava (DC7) will be developed in two phases. Construction of the 24,500 square metre Phase I commenced in March 2012, and completion is planned for Q3 2012. "With our portfolio 100 percent leased, we are out of facilities and continue to receive strong interest in Prologis Park Bratislava among our customers, and have therefore decided to move forward with speculative construction," said Martin Polak, Vice President and Market Officer, Czech Republic and Slovakia, at Prologis.

Prologis Park Bratislava is located alongside the first exit of the D1 motorway, 24 kilometres east of Bratislava city centre and 2 kilometres from Senec. It currently consists of six distribution facilities totalling more than 183,000 square metres. The park has the capacity to accommodate two additional buildings totalling 100,000 square metres.



Deka Immobilien Investment has acquired the office development City Green Court in Prague on behalf of its open real estate fund Deka-Immobilien Europa.

SKANSKA SELLS CITY GREEN COURT IN PRAGUE TO DEKA IMMOBILIEN

Skanska has sold City Green Court in Prague to Deka Immobilien Investment GmbH for EUR 54.5 million. Deka Immobilien acquired the building on behalf of its open real estate fund Deka-ImmobilienEuropa. City Green Court is scheduled for completion in Q2 2012. Located in Prague's Pankrác business district, the building consists of eight storeys of office space totalling 16,300 square meters, including 285 square meters of ground-level restaurant.

STAFFING

Cem Alf has been appointed CEO of Corio Turkiye, the Turkish property arm of listed retail specialist Corio. Cem Alf has more than 20 years of experience in Turkish real estate. From early 2010 until recently he had his own company which specialised in providing advice on retail real estate in Turkey. Before that he was managing director of Foruminvest in Turkey, with responsibility for developing and investing in shopping centres in the major Turkish cities.

Dennis de Vreede has been appointed Senior Vice President, European Finance Director for Prologis. Dennis de Vreede will head up the European finance team, both in the local European markets and at Prologis' European headquarters in Amsterdam. Dennis de Vreede joins Prologis from Redevco, where he held the position of CFO from December 2007 to September 2011.

Herman Kok, Associate Director Research & Concepts International Markets at Multi Corporation, has received the Researcher of the Year award at the annual European ICSC (International Council of Shopping Centers) conference in Berlin in April 2012 for his 'outstanding contribution' to international retail real estate research. Herman Kok has been involved with the ICSC European Research Group over the last 10 years.

Alexander Otto, CEO at ECE, has been announced as Chair of the International Council of Shopping Centers (ICSC) European Advisory Board. Alexander Otto succeeds Marcus Wild, CEO at SES Spar European Shopping Centres who has led the organisation successfully for three years.

Sergey Riabokobylko has been appointed General Director of Cushman & Wakefield's Moscow office with effect from June 1st, 2012. Sergey Riabokobylko, Senior Executive Director, Partner and co-founder of Stiles & Riabokobylko which was acquired by Cushman & Wakefield in 2005, will succeed Tim Millard who has served as General Manager of Cushman & Wakefield, Russia since 2010.

Yevgeny Steklov has been appointed CFO of Russian developer Mirland. He succeeds Emil Budilovsky who decided to pursue other business interests. Yevgeny Steklov joined Mirland as financial controller in April 2007. Before joining the group he spent four years as an auditor with Ernst & Young.

Jaap Tonckens, currently Chief Investment Officer and Member of the Management Board at Unibail-Rodamco SE, has been appointed to the position of Chief Financial Officer, with effect as of July 1, 2012. Jaap Tonckens will replace Peter van Rossum, who will be leaving on June 30 to pursue his career outside the Group.



1st row: Cem Alf
2nd row, left: Dennis de Vreede
2nd row, right: Herman Kok
3rd row, left: Alexander Otto
3rd row, right: Sergey Riabokobylko
4th row, left: Yevgeny Steklov
4th row, right: Jaap Tonckens



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INSTEAD OF A FAIR: CONFERENCE WITH FOCUS ON CEE



Still the chairs in Palais Niederösterreich are empty. But on June 14, 2012 here the CEE and SEE countries will be in the focus.

Austria was and is one of the main investment partners in the CEE and SEE countries. That is true as well for the real estate sector. Therefore Vienna is an appropriate venue for a real estate conference that addresses not only the Austrian professionals, but wants to bring together players from East and West as well.

The idea of a CEE and SEE focused real estate exposition in Vienna was a good one. But after a remarkable start for what reasons ever Real Vienna was fading away year by year. In spring 2012 the event was finally cancelled.

In contrast to the exposition the accompanying conference programme of Real Vienna organised by the Austrian business magazine "Gewinn" was appealing every

year again. Therefore "Gewinn" decided to organise also this year a conference, the "GEWINN Real Estate Conference" that will take place on June 14, 2012 in the Palais Niederösterreich (Estates House of Lower Austria), an ancient building in the historical inner city of Vienna.

Admittedly, the crisis 2008 has finished the nearly hypertrophic property boom in CEE and caused serious difficulties in several countries. However, after the general "freezing" of real estate investments has been overcome, a now more realistic and probably healthier development of the real estate investment markets started again.

Against the previous year, in 2011, commercial real estate investments in CEE generally doubled to more than EUR 11 billion. However, according to specifica-

tions of Cushman & Wakefield more than the half (EUR 6,1 billion) was allocated in Poland, the Czech Republic, in Slovakia, Hungary, and Romania. Rather reluctant investors showed in Serbia and the Ukraine, and in Russia it was mainly domestic investors active in the property investment markets.

Like in former times the CEE and SEE countries are in the focus of the first of three parallel sections of the "GEWINN Real Estate Conference". It starts with a look from an international point of view to Austria and CEE and continues with the question which of the Austria real estate players are headed where in CEE/SEE and why.

Latest since last year Poland emerged as "investor's darling" among the CEE countries. In 2011, in Poland the transaction



Main topics of the "GEWINN Real Estate Conference" are—beside others—the property markets in Poland, Russia and the Western Balkans.

volume in the commercial property markets reached about EUR 2.58 billion. Therefore it is no surprise that at the conference the question will be discussed if this "run" on Polish real estate assets will last. Poland is the only country in Europe and in the EU region on which the financial crisis of 2008 seemed to have nearly no impact and that showed steadily positive economic growth rates. So it might not be a real surprise that especially Western investors estimate Poland as a quite stable market with a risk nearly as low as in Western European countries. As investment objects mainly office buildings in Warsaw are targeted. Only with retail property the Polish regions are in the focus as well. And the office market in Warsaw continues to boom: According to DTZ this year 240,000 square metres of new office space will enter the market, and in 2013 again 350,000 square metres will be completed.

Another session is dedicated to Russia, the largest country in Europe and in the world. Also Russia experiences a firm economic recovery with growth rates clearly above those in the EU countries. During the last two years the real estate investment market have showed a continuous upward movement. Investments do no longer concentrate only on Moscow and perhaps on Saint Petersburg, but especially retail properties in cities with more than one million inhabitants and in the regional centres are attracting more and more interest. In 2011, commercial property of a value totalling EUR 4.55 billion changed hands—that is an increase of 200 percent against 2010 and more than one and a half of the transaction volume in the record year 2008. However, the lion's share of investments (nearly two third) has been done by local players, international investors are still very reluctant.

Beside the "model country" Poland and the biggest country with the biggest opportunities Russia, the "GEWINN Real Estate Conference" puts a focus on Turkey as well as on the Western Balkans. At July 1, 2013 Croatia will become member of the EU. This full EU-membership is hoped

to give new impulses to the economy triggered by the subsidies from Brussels. From these impulses might benefit especially the Austrians because they are by far the biggest foreign investor in Croatia and had mostly suffered by the stagnation of the Croatian economy during the last years.

The again increasing interest in the CEE and SEE countries is mainly limited to "standing investment", i.e. to completed and nearly rent-out buildings. One of the reasons for this is the fundamental change in financing conditions. In contrast to the times before 2008 banks are very reluctant and risk-averse when investors are asking for financing loans. Meanwhile the requirements of high equity, high margins and risk premiums are restraining the transaction activities that investment volumes in Q1 2012 were quite low: According to CBRE investments in commercial property in CEE totalled at only EUR 900 Million. It is the lowest volume since Q3, 2009, when the markets started to go up again.

The risk aversion and reluctance of the banks makes business still more difficult for developers who want to bring new investment properties to the market. For sure, nobody wants back the times when for towns several large shopping centres were planned—these plans burst like a bubble in the 2008 crisis—but many cities in CEE and SEE are still in need of new office buildings, shopping centres and apartments. This backlog demand can be satisfied only by new developments and/or redevelopments. Therefore project financing is a vital topic, not only for developers but for all involved in the real estate business, from investors to tenants. Without new developments urban renewal will stop, and soon or later property investors will have great difficulties to find something worth to invest in.

The second section of "GEWINN Real Estate Conference" is dedicated to the different kinds of property—from offices, retail real estate and residential to railway stations, airports and transfer hubs—as well as to the question of sustainability. For a long time sustainability seemed to



As well there will be an intensive look at the segments of the real estate markets.

be no important topic in CEE and SEE, but meanwhile there is no commercial project development without being certified by one of the international standards as a "green building".

What is striking with the topics of the second section: the looks at the property segments are put into a greater context. In general, no building, whatever function it has, is a solitaire but plays a certain role in the context of the city and is influenced by its surroundings as well as by the further urban development. Another aspect is that property without tenants is generating costs instead of revenues. Therefore the tenant also plays an important role and his as well as the interests of the owner have to be taken into consideration to create a so-called win-win-situation for both parties. That is true for both commercial and residential property. With residential there is to add the public responsibility to provide all groups of the

society with sufficient housing. And in discussions of retail real estate there are always mentioned the expansion strategies of international retailers and their need for space. For many of these retailers there are still the CEE and SEE countries on the agenda. However, one of the most crucial questions is, if at the location of a shopping centre or another retail property there is enough purchase power to make the retailer's and expansion and thereby also the property investment economically successful. And last but not least the second section of the "GEWINN Real Estate Conference" is looking at investment strategies, portfolio optimisation and in recent times often-cited core assets, in short: The question is, how investors and portfolio managers are going forward to be successful in a long term.

Main topic of the third section is "Hotel & Tourism". This part of the conference is organised in co-operation with Michaeler &

Partner. Meanwhile countries like Croatia, Montenegro and Bulgaria have developed into sought-after tourist destinations. However, the question is what the countries in CEE/SEE can do to remain attractive for tourists and how they can use their potential. For investors, on the other hand, it is interesting to learn where in a longer term an investment could be economically successful. Especially the hotel segment has been changing rapidly during the last years. The requirements of tourists are changing, hotel brands are expanding, and instead of an agglomeration of holiday residences and apartments there are developed more and more mixed-use areas that are also attractive for those who want to live there and not passing only some holidays. To understand all these changes in the hotel & tourism industry and to identify future trends and developments is one of the targets of this special section.

Beside topics and panel discussions, a very important part of every event is the possibility to establish new contacts and to deepen certain aspects in private discussion. Therefore "GEWINN Real Estate Conference" also provides for this networking part by a networking area located directly next to the conference rooms. This networking area consists of numerous lounge sets, where the participants of the conference can retreat for more intensive talks. In this area also companies as well as cities and regions from CEE/SEE will be presented. All in all Vienna is well worth a trip, especially at June 14, 2012 and for all who are or want to be active in Central, Eastern and South-Eastern Europe. | **Christiane Leuschner**

GEWINN Real Estate Conference

June 14, 2012
Palais Niederösterreich

Vienna, Austria

For further and more detailed information:
www.gewinn.com/realestateconference

STRUCTURAL TRANSFORMATION IN THE CZECH REPUBLIC: OSTRAVA

It is the third largest city of the Czech Republic, but Ostrava is more than 380 kilometres away of the capital city of Prague, it is really another world. Here, in the eastern part of the country, structural transformation can still be experienced directly.

A Western European travelling to the capitals of the CEE countries feels mostly and easily like "at home": He can find nearly all the brands he is familiar with, stores and shopping centres are as modern and attractive as in western cities, and disregarding some local specifications office and residential buildings look nearly the same here and there. However, the picture is (still) very different in many of the regional cities in the CEE countries.

Such a regional city is Ostrava in the eastern part of the Czech Republic, only 15 kilometres far away from the border to Poland. Ostrava is the administrative centre of the Moravian-Silesian Region, with about 1.2 million inhabitants the biggest region in the country. The city of Ostrava itself has 310,000 inhabitants and is following Prague and Brno the third biggest city of the Czech Republic. However, by distance as well as figuratively Ostrava is closer to Katowice than to Prague. Because like the Polish city Ostrava is characterized by coal mining and heavy industry.

Approaching the city some more black than grey buildings are striking the visitor and give an impression of the air pollution in former times. Back then the sky had to be grey instead of blue and air was filled up with the dust of the coal mining. Also in the inner city of Ostrava there are still some buildings with nearly black facades. Meanwhile air pollution is significantly reduced by modern technologies and filter systems in the steel production plants of Nova Hut today operated by Accelor-Mittal.

But as well the end of coal mining in the city—the last coal mine was closed down in 1994—and of the iron smelting and working in the inner city district Vítkovice have contributed to better air quality.

Better air quality is only one side of the medal, the other is that the city has plunged

60s and 70s of the last century. International brands are rather the exception than the rule. What is surprising: the relatively great number of restaurant, cafés and bars. And apparently casinos, amusement halls, clubs and everything that promises entertainment are highly appreciated by the citizens. Another positive discovery is the



Headframes and furnace blasts are (still) characterizing the cityscape of Ostrava.

in a structural transformation. Many of the traditional jobs in the (heavy) industry are vanished. New jobs in sectors with a promising future are created, however, unemployment is still high. At the beginning of this year unemployment rate in Ostrava was at nearly twelve percent—the average unemployment in Czech Republic is about nine percent.

Strolling around the city there are many signs that for many of Ostrava's people life was and is not really easy-going. The offerings and presentations of retail stores in the inner city raise nostalgic memories of the

great number of mostly neat and beautiful public places in the city. And what is really impressive are the rows of houses from the period of prometerism: they deserve more than one look, especially when their facades were cleaned from dust, refurbished and newly coloured.

In contrast to the retail shops in the city, the newly developed shopping and entertainment centre Forum Nova Karolina seems to be a glittering temple of consumption from another world. Forum Nova Karolina opened its doors to the public at the end of March. On 165,000 square metres gross

build area (about 60,000 square metres GLA) there are more than 200 shops and stores, beside others international brands like H&M, Esprit, Mango, Lindex, New Yorker, Marks & Spencer, Douglas, Levi's, Peek & Cloppenburg and Intersport. But the main advantage of Forum Nova Karolina is its location: only in a five minutes walking distance from the central market square and accessible by public transportation from all directions. Furthermore the shopping and entertainment centre offers

average in the Czech Republic (EUR 959), although one third smaller than in Prague (EUR 1,521).

Forum Nova Karolina has been developed by Multi Development and was jointly acquired by Meyer Bergman on behalf of its Meyer Bergman European Retail Partners I fund and by the Canadian pension fund Healthcare of Ontario Pension Plan (HOOPP) in September 2011. The shopping and entertainment centre is only the

lic: About eight percent of the city's area are brownfields. The two largest areas are Nova Karolina and the adjacent Nove Vitkovice. Here there shall be developed a new part of the city, with housing and retail, a technique museum and research and development facilities and student's places. The 100 years old and no longer operated gasometer shall be transformed into an congress centre with a capacity for 1,500 people. To revitalize such large brownfield areas is a challenge and task



Everywhere in the city new space is to be developed like next to Forum Nova Karolina or the new complex of Technical University.

underground parking with 1,100 places for its clients; they can leave their cars there for the first three hours for free.

Visiting the new shopping centre two questions came into mind immediately: What's about competitors? And is there enough purchasing power in a city apparently struggling with structural transformation to make the shopping centre for all parties involved a success?

Competition is little to fear for Forum Nova Karolina because at present in Ostrava it is the only modern inner-city shopping centre. Other retail facilities are mainly hypermarkets and big box retail parks mostly outside the city centre. Sometimes in retail parks a small shopping gallery is included.

For the purchase power there is of help a look at the average incomes: In Ostrava and in the Moravian-Silesian Region average monthly incomes are at EUR 1,091 and EUR 995 respectively. That is above

first completed part of phase 1 of one of the largest urban development and revitalisation projects in the Czech Republic. Within the 32 hectares site that was former home of a cooking plant and heavy industry Multi is developing an complete extension of the inner city. Currently under construction are an office complex with about 24,000 square metres that is a joint venture with Passerinvest, and an apartment building of 220 units in a joint venture with GEMO. Behind the shopping centre there are still two old brick buildings, the former „Elektrocentrala“ and the headquarters of coal mine Karolina. This complex called „Trojhalí“ will be redeveloped to held cultural and social events and will be used as a sports hall with two multifunctional playgrounds. The project will be completed in May 2013.

By approaching the city there are often to be seen rusty headframes and closed down plants. By brownfield areas Ostrava is the on the cutting edge in the Czech Repub-

lic for decades, but on the other hand it is a great potential for the city's future development. And that Ostrava is on the right way for its future development some indicators are showing.

Looking at the foreign direct investments for example and comparing the figures for Ostrava and Brno, there is to state that till 2004 Brno was ahead (accumulated since 1998: CZK 53 billion). However, since 2005 Ostrava is on the fast lane: In 2010 CZK 122.2 billion foreign direct investments have been flown into the city (Brno: CZK 75.06 billion). Another strong indicator is the demographic development: Between 1990 and 2005 Ostrava's population was shrinking by nearly 20,000 inhabitants; since then the demographic downturn is stopped at least.

What is positive as well is the valuation of Ostrava by the international rating agencies Moody's and Standard & Poor's. In 2011, Moody's has rated Ostrava A2

and took into account the city's strengths and weaknesses. Strengths are beside others the prudent budgetary management, the good levels of financial reserves and the relatively low debt in comparison with average levels among Czech cities. As a weakness the rating agency defined the need for extensive investments. Standard & Poor's upgraded the rating for Ostrava to A/A-1 in September 2011 because of the city's behaviour in terms of public finances and long-term care for healthy economy.

What in the middle and long term is important for the city as well: Ostrava is a university city. With about 23,500 students the Technical University of Ostrava, founded in 1849, is the most important institute of higher education, followed by the University of Ostrava (about 10,500 students), a part of which is the European Research Institute for Social Work and the Institute for Research and Applications of Fuzzy Modelling. Furthermore there is Business School Ostrava

(about 3,000 students), the Faculty of Law of the Pan-European University as well as an International School are located in the city.

In Ostrava great importance is attached to the development of innovative R&D companies with a promising future. It is one of the core areas the Integrated Development Plan of the City of Ostrava. Main targets are to create a more and more innovation friendly environment for R&D companies and for the application of new techniques, to position Ostrava as an attractive destination for companies with advanced technologies and high-tech products and to develop the city to a modern metropolis. That does not only include technology parks and technology centres, modern office space and production facilities, but as well to improve the quality of life in the city and to become more and more attractive for young and well-educated people. That starts with intelligent traffic systems and does not end with an improvement of

the infrastructure in general—from modern shopping facilities and modern housing to leisure and entertainment possibilities and recreation areas.

Already one thing at least can be attested to Ostrava: The reality is much better than the city's often unflattering image. Particularly in the field of culture Ostrava has much more to offer than many cities of the same size and importance in the Western countries. And although located near the border to Poland, Ostrava can be reached easily by various ways. Every day there are several direct flights from Prague to Ostrava (flight time: about one hour), a Pendolino train is connecting the capital with the third largest agglomeration in the Czech Republic (travelling time: 3 hours and 30 minutes), and for those who want to go by car, the European Road E462 is passing Ostrava and going to Olmuc and Brno with interchanges to Prague, to Slovakia, Hungary and Austria. | **Marianne Schulze**

REAL TALKS ABOUT CEE & SEE

GEWINN Real Estate Conference 2012
Commercial real estate and investments in CEE/SEE, Russia, CIS and Turkey

14 June 2012, 8.30–18.30

Palais Niederösterreich, 1010 Vienna, Herrngasse 13

www.gewinn.com/realestateconference

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GEWINN

Real Estate Conference

SPRINGTIME ON THE BOSPORUS

From May 10 to May 11, 2012 in Istanbul the Gyoder annual summit and Istanbul REstate exhibition took place—a good reason to travel to the Bosphorus and to look around the city with all the information about Turkey and Istanbul both events provided.

In contrast to previous years when the annual summit of the Association of Real Estate Investment Companies in Turkey Gyoder took place in the inner-city conference centre Lütfü Kırdar in the rather bourgeois part of Beyoğlu district, this year's venue was an old yarn factory, also located in Beyoğlu but on the side of the Golden Horn. Here small and smallest crafts and businesses dominate the picture of the streets and apparently it is not a quarter of Istanbul where really wealthy people are living. In some parts the yarn factory is still in operation, but the once vast facility offered enough space for the summit and the Istanbul REstate exhibition as well, both located in large production halls. It was a very suitable venue for an events that focuses on urban regeneration and urban transformation, because with the old factory a good example was in front of everybody's eyes.

Urban transformation and urban regeneration are dominating topics (not only) for the city of Istanbul. A matter of concern is the great danger of earthquakes in the region. Many of the (mainly residential) buildings erected and enlarged without building permission will be destroyed by the first shock wave. Another challenge is that the city is continuously growing. Between 1980 and 1985 the number of inhabitants doubled from 2.7 million to 5.4 million. According to the Turkish Statistic Institute today there are living around 13 million people in Istanbul, but unofficial estimates go up to 18 million people.



The former yarn factory was a venue appropriate to the topics of the event.

Arriving at Atatürk International Airport the traveller on his way into the city passes a lot and large areas of newly developed quarters. Here as well as in the inner city the lot of public gardens and parks is striking—Istanbul is at least optically a rather green city. Approaching the city centre everybody will understand why urban regeneration is a hot topic for Istanbul. The need of refurbishments and redevelopments is high. Sometimes new constructions are directly bordering old dilapidated buildings, every gap opening in the high-density areas is to be closed immediately by a new development. Structurally sound buildings will be refurbished. In the eastern part of Beyoğlu some of these modernised residential buildings can be admired. In other parts rotten buildings are bordering a main traffic road, behind, however, there are new quarters already constructed—Potemkin villages the other way round.

At the Gyoder summit not only urban planners, architects, economist and real estate players from Turkey took part in the discussions about urban transformation and urban renewal, but as well an international panel was formed. Here Jordi Sacristan, Marketing and International Economic Promotion Director of Barcelona City Council, talked about the experiences made by the transformation of the Catalan capital. Other participants were Monika Bik, Director of Master Planning of the international architecture firm Broadway Maylan, and David Smith, Founder of the Affordable Housing Institute in Boston, USA. Both are internationally active and brought in some important suggestions about the do's and don'ts of urban regeneration and transformation.

The importance of these topics for Turkey in general and Istanbul especially has also been demonstrated by the fact, that



The centre of Istanbul is a good example for urban renewal, the new quarters, however, are a sign of the intensive growth of the city.

the Minister for Environment and Urban Planning of Turkey and the Mayor of Istanbul were opening the summit. Tied up with urban regeneration and transformation was as well a session about the development of Istanbul as an international financial centre. According to the last GFCI Global Financial Centres Index from March 2012 Istanbul ranks number 61—ahead of Moscow. That means during the last year Istanbul has caught up ten places in the ranking. The financial centre will be located in Levent, a district at the edge of the city centre and characterized by its skyscrapers that in general are rarely to be found in city's skyline. In fact, Istanbul has best preconditions to become an international finance centre because the city links East and West, Europe and Asia, Christianity and Islam.

How different these cultures are demonstrated a panel discussion where the real estate investment market in Turkey was examined not from a European, but an Islamic point of view. Not yields were on the top of the list, but that investments have to be consistent with the principles of Islamic law (Sharia); not the trading of

real estate, in contrast to Western countries a more or less unfamiliar perception in Turkey, was in front of the stage, but cash-flow generating investments successful in the long term.

Gyoder summit as well as Istanbul REstate exposition offered a lot of possibilities to talk to Turkish market players and to learn about some main characteristics of the market. International companies like Jones Lang LaSalle sometimes were quite helpful to bridge the gaps. These gaps sometimes open not because of language differences—today English is very common in Turkey—but because of the different mentalities and cultural backgrounds that often are the reason for a different view on certain topics. But like always and everywhere talking to each other helps to understand.

One part of the exhibition Istanbul REstate was dedicated to hotel and tourism. There was also smaller lounge for some workshops about the hotel industry in Turkey, a programme that was organised in co-operation with pkf hotel experts. Here as well one could hear about ur-

ban transformation, this time with special focus of the impact on the hotel industry in the country.

What was to notice generally: Turkish people set high value on politeness, hospitality and service as well. That means life for a foreign traveller is very easy-going and comfortable. On the other hand there is to state that people of all social classes and in all professions are working hard, much more than in Western societies.

What is also to observe in Istanbul: Many ways of life if not going together are at least coexisting peacefully. Is a vibrant city lively all around the clock and every day of the week. As well the traffic never comes to sleep. But despite all warnings in front of the visit the traffic is mostly running, even during rush hours. Perhaps one has had to experience the traffic jams in Moscow to look more or less relaxed at the traffic in Istanbul. And latest when the underground below the Bosphorus the connection between the European and Asian part of the city will become easier. | **Christiane Leuschner**

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June 14, 2012

GEWINN

Real Estate Conference

What about: Every year „Gewinn“ magazine has organised the conference programme of Real Vienna. The fair was cancelled this year, the conference however, will take place. In the focus of the one-days event are topics of interest for the property industry (not only) in Austria and Central Eastern and South-Eastern Europe. In three conference rooms there will be offered a wide range of different issues from financing of project developments and investments to the different markets and market segments. As well companies, municipalities and regions from CEE and SEE can present themselves in a lounge that is dedicated to networking for all participants.

Where: Palais Niederösterreich, Vienna, Austria

For further information and registration: www.gewinn.com/realestateconference

September 12 – 14, 2012

International Real Estate Investment Forum

ProEstate 2012

What about: Main topics of the exposition and conference in Saint Petersburg are urban development and the real estate markets in Russia. The event is organised by the Guild of Property Managers and Developers (GMD) with the support by the Ministry of Regional Development of the Russian Federation and the Government of Saint Petersburg. International Real Estate Investment Forum ProEstate can be a first meeting point for all who want to become active in Russia. The broad range exhibiting companies as well as the concise conference programme are offering many points of contact for those who want to inform about trends, developments and characteristics of the Russian real estate markets.

Where: Lenexpo, 103, Bolshoy Prospect, Vasilievsky Island, Saint Petersburg, Russia

For further information and registration: www.proestate.ru
www.gud-estate.ru

September 23 – 24, 2012

8th Conference of European Cities and Regions

What about: This year the annual conference of European Cities and Regions is themed “Overcoming regional disparities”. Because 2012 is the European Year for Active Aging, the first day of the event is focused on the topic “Solidarity between generations: regional and local initiatives for active aging”. Tied up with this IRE Expert Forum is the following working group dealing with the topic: “Cost efficient health care & hospital management on regional and local level”. Themes of the second day of the conference are “Financial strategies for location development”, “New perspectives and strategies for decentralised energy supply”, and “Challenges in transport infrastructure for regional tourism”. Also a main target of the conference is to offer sufficient possibilities for establishing new contacts not only with the representatives of the cities and regions but with the representatives of the European Union as well.

Where: Grafenegg Castle, Lower Austria, Austria

For further information and registration: www.institut-ire.eu

October 8 – 10, 2012

EXPO REAL

15th International Trade Fair for Commercial Property and Investment

What about: Since the first issue 15 years ago Expo Real has developed into one of the largest and most important B2B trade fairs for commercial real estate in Europe. Last year, across the 64,000 square metre site, 1,610 exhibitors presented themselves, their products and services. All in all 37,000 participants were registered representing the whole range of the real estate business: developers, project managers, investors, financing institutions, consultants and brokers, architects and planners, corporate real estate managers and expansion managers but cities and regions as well. The countries of origin totalled at 72, and with Austria, Poland,

Russia, the Czech Republic and Russia among the top ten CEE was strongly represented at the fair.

Where: New Munich Trade Fair Centre, Munich, Germany

For further information and registration: www.exporeal.net

November 8 – 9, 2012

Real Estate Circle 2012

What about: The conference Real Estate Circle taking place traditionally at the beginning of November is regarded as the autumn meeting point of the Austrian real estate industry and its decision makers, from investors and developers to financing institutions. Topics being discussed are not only about Austria but also facing international trends and questions like “What impact the European debt crisis will have on the real estate industry”. With the strong focus of the Austrians towards CEE/SEE will be in the focus as well.

Where: Courtyard by Marriott Wien Messe, Vienna, Austria

For further information and registration: www.businesscircle.at

November 14 – 16, 2012

Mapic

The international market for retail real estate

What about: Main target of Mapic is to bring together global retail and real estate leaders to forge partnerships. Both are acting in quite different business worlds, but are in need of each other. The retailers need space to open new shops, the real estate people have the space and are in search of its user. Especially those who are expanding to Russia it will be interesting to hear that at Mapic 2012 Russia will be “Country of Honour”. Already by its size and by the number of cities with more than one million inhabitants Russia is an important market for all involved in retail and retail real estate.

Where: Palais des Festivals, Cannes, France

For further information and registration: www.mapic.com

IRRITATIONS ABOUT CONFERENCE PRACTISES



Marianne Schulze is a free lance journalist and editor of SPH Newsletter

Conferences aim to inform and to provide the possibility for networking. People meet each other, establish contacts and exchange experiences. And who holds a keynote speech or takes part in a panel discussion is increasing its own "popularity". That is the positive side of conferences and these are the main the promotional arguments.

During the last years the number of conferences offered has increased substantially and still the number is growing. At a first glance that is nothing negative. Irritating, however, is the impression that conferences sometimes serve mainly as a sprouting source of income for its organizers. Not to be misunderstood: everybody who is organizing a conference should get a compensation for the lot of work it was, i.e. should earn some money. But it is disputable when both sides are asked to pay: Who is in the prominent position on the panel or at a speaker's desk has to pay for it, and who wants to be part of the audience has to pay as well. This seems to me a similar practise like a broker and consultant representing both the seller and the purchaser and their different interests in a real estate transaction.

It seems self-evident that those who listen to speeches and discussions and learn

something about certain topics have to pay for this possibility. They get something for their money: first of all information, but as well the possibility to meet well-experienced players. They make use of a service by the organizer.

But the word "service" becomes dubious when speakers and panellists are not selected by quality (or competence) but by the fact that they are willing to pay for their role. As a listener I am at least sceptical if I do not feel conned because I have to ask myself if I am listening to a person who really has to say something of importance or if I am the involuntary addressee of some kind of PR (a role, I did not ask for, but have to pay for).

But the one "on the stage" plays also a more or less ambivalent role. Of course, conferences are platforms to present yourself or your company. Therefore it might be justified to pay for this promotion possibility. However, it has a bitter aftertaste, because to have this opportunity is not owed to competence or quality, but to the often quite substantial payment. Although everybody has to play his own trumpet and PR is something necessary, the effect might be a negative when the addressee is seeing through this play and feels "not amused".

The business model to take money from both, active and passive participants of a conference, is cheating all. In the long term also the organizer is on the losing side because the practise of double income generating conferences causes an erosion of the positive effects, i.e. in the long term nearly nobody will attend conferences any more.

Okay, the world is more than only black or white, there are a lot of grey areas and pure idealism has little to do with reality. The conference business is highly competitive, and not only the costs have to be covered somehow, but there should also be something left at the final count. There is nothing to say against sponsorships and that the sponsor of a conference or another event can put its logo on programmes, websites or wherever. Of course, the organizer will at first offer the opportunity of presentation to the company supporting the event and not to the direct competitor. That is still in the grey zones. But let pay both sides, speakers and attendees, is no longer grey, but grisley. In the long term this business model does not work and those who conceive and organise a conference programme in respect of content will be the leaders in the test because they offer a real value to their participants.

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