

SPH newsletter

news

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special

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DEAR READERS!



March and Mipim—both start with M. Many of you will travel to Cannes, and this year it will be something special: because it is the 25th time Mipim takes place. And as it happens we too are celebrating a minor jubilee: This is the 25th issue of SPH Newsletter. How time flies!

The 25th issue is an occasion for some improvement. By request of our readers who want to know more about market players, we have included a new category—'portrait'. The first article in this category is about the stand design and manufacturing company Spacewood in Frankfurt on Main, since the mid-90s responsible for the one and the other stand at Mipim and since last year the one who prepares the appearance of City of Moscow in Cannes.

Furthermore there was the request of more information about lettings—who leases where how much. Therefore we took this issue as starting point of an overview about leasings in CEE/SEE, subsumed under the category 'news' and following the staffing news. Still the number of leasing news is limited, but for sure with your cooperation we will get more and more information about these activities.

Marianne Schulze and I are looking forward to Mipim in Cannes and of course to interesting meetings and fruitful talks. But as well we hope and wish that the new issue of SPH Newsletter is attracting also those who cannot or do not want to be in Cannes.

Yours,

Andreas Schiller



Hotel Le Palais in Prague, refurbished and converted by Warimpex and opened in 2003, has been acquired by a private European investor.

WARIMPEX SELLS LE PALAIS HOTEL IN PRAGUE

Warimpex Finanz- und Beteiligungs AG announces the sale of the five-star Le Palais hotel in Prague to a private European investor. The hotel was sold for more than its book value, but the parties agreed that the price will not be disclosed.

The Le Palais hotel, which was built in the Belle Epoque style, is located in the upscale residential neighbourhood of Prague not far from the historic city centre. Warimpex acquired the old palace and extensively converted it into a luxury hotel, which opened in 2003. Vienna International Hotelmanagement AG will continue operating the five-star hotel after the sale.

EU DIRECTIVE ABOUT RESIDENTIAL MORTGAGE CREDIT AGREEMENTS

An EU Directive regulating residential mortgage credit agreements is approved. This Directive will, for the first time at EU level, require Member States to develop national valuation standards. This would mean Member States would have until the first quarter of 2016 to implement the requirements of the Directive.

The European Institutions have acknowledged the need for valuation standards, especially as the Directive recommends to base these on existing international standards such as the International Valuation Standards (IVS) developed by the International Valuation Standards Council IVSC and the Red Book on Professional Valuation Standards by The Royal Institution of chartered Surveyors RICS. The Directive also requires valuers to be professionally competent, independent and meet certain qualification requirements.

BLACKROCK REFINANCES TWO SHOPPING CENTRES IN POLAND

pbb Deutsche Pfandbriefbank, UniCredit Bank Austria AG and Westdeutsche ImmobilienBank AG have jointly underwritten a EUR 132 million senior facility to refinance two shopping centres in Southern Poland.

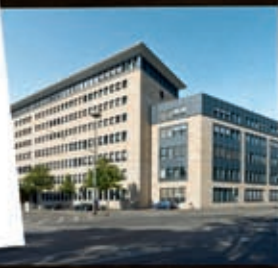
The portfolio is owned on behalf of BlackRock Europe Property Fund III. The transaction closed in January 2014. pbb is acting as arranger, facility and security agent of this transaction, with the underwriting of the facility being jointly provided by pbb, UniCredit Bank Austria AG and Westdeutsche ImmobilienBank AG.

Karolinka Shopping Centre, in Opole, with a total lettable area of approximately 70,000 square metres is the dominant regional mall. Pogoria Shopping Centre is a modern urban centre located in Dabrowa Gornicza and has a total lettable area of approximately 36,000 square metres. Both assets were built in 2007, acquired in 2009 and are let to well-known brands.

**Mixed office,
residential and
commercial property**

Frankfurt

Type: Mixed-Use Property
Size: 35,500 m²
Sole Lender



Mokotów Nova

Warsaw

Type: Office Building
Size: 41,000 m²
Arranger • Sole Lender



Bromma Blocks

Stockholm

Type: Retail Portfolio
Size: 205,000 m²
Joint Arranger



Stadtquartier Q6 Q7

Mannheim

Type: Shopping Center
Size: 153,000 m²
Co-Arranger



River Plaza

Paris

Type: Office Building
Size: 27,000 m²
Arranger • Sole Lender



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Tancici dum, a landmark office building in Prague, has been sold: New owner is the Czech real estate investor Vaclav Skala.

CBRE GLOBAL INVESTORS SELLS DANCING BUILDING IN PRAGUE

CBRE Global Investors announced the sale of the Tancici Dum building, also known as the 'Dancing Building' in Prague for EUR 13,3 million. The buyer was Vaclav Skala, a well-known real estate investor and art collector. Clifford Chance and Jones Lang LaSalle advised CBRE Global Investors. The Property is located in the centre of Prague and comprises approximately 3,950 square metres of leasable space over seven floors. The main tenants of the building are CBRE Global Investors and Accenture.

W.P. CAREY BUYS IN CROATIA

W.P. Carey, a global investment management company, is providing EUR 67 million (USD 91.7 million) in sale-leaseback financing to Croatian privately-held concern Agrokor through a retail portfolio acquisition. Two of W.P. Carey's publicly-held real estate investment trust affiliates have acquired five modern retail stores from Agrokor while the proceeds will support the Croatian company's expansion and growth strategy. The five stores are leased to Konzum—the largest food retailer in Croatia and Agrokor's principal subsidiary—on a 20-year triple-net basis. Three assets are located in Zagreb with the two remaining stores located in the coastal tourist destinations of Split and Zadar.

TRIGRANIT COMPLETES BUILDING D IN B4B COMPLEX IN KRAKOW

Office building D in the Bonarka for Business (B4B) complex in Krakow has been opened. The new investment is the fourth object and closes the first stage of the project encompassing four buildings. The next phase of B4B project comprising buildings E, F and G has already commenced. Total leasable area in the new seven-storey building amounts to approximately 9,500 square metres. Furthermore building D offers 82 underground parking spaces and outside parking for visitors.

BILFINGER RE: FURTHER MANAGEMENT CONTRACTS IN TURKEY

Following the management contract for Turkey's major „Metropol Istanbul“ project, Bilfinger Real Estate has now accepted further contracts for six shopping centres in Turkey. The shopping centres are located in Istanbul, in the Eastern Anatolian city of Erzurum, in Diyarbakir in Southeastern Anatolia, in Zonguldak on the Black Sea coast, and in Kayseri in Central Anatolia. Three of the shopping centres newly added to the portfolio under management are currently under construction. They are expected to open at the beginning and at the end of 2014 respectively. Bilfinger Real Estate is responsible for centre management and leasing activities of the six complexes, which have a total of 690 stores and over 250,000 square meters of leasable retail space.



O1 Properties has acquired the approximately 40,000 square metres of office space in Legenda Tsvetnogo multi-functional complex in Moscow.

O1 PROPERTIES ACQUIRES OFFICE PART IN LEGENDA TSVETNOGO

O1 Properties Investment Company has acquired from Capital Group the office part of Legenda Tsvetnogo multi-functional complex located at the corner of Tsvetnoi and Rozhdestvensky boulevards in Moscow. The acquisition comprises approximately 40,000 square metres of office space of the complex including parking for 401 cars. Gazprombank and Gazprombank (Switzerland) Ltd. organised syndicated funding of the transaction. Jones Lang LaSalle acted as consultant in the transaction.

Legenda Business Center will become the 12th yielding business centre in the O1 Properties portfolio, the net rentable area will increase up to 486,000 square metres, the portfolio value will reach USD 4.25 billion.

SALE OF EUROMARKET OFFICE CENTRE IN KRAKOW FINALISED

Tawstock Estates has finalized the sale of Euromarket Office Center in Krakow, Poland. The purchaser is a vehicle managed by Bluehouse Capital. CBRE together with Savills advised the vendor in the investment transaction.

Euromarket, located at Jasnogorska street in Kraków, is a five-storey building offering approximately 10,600 square metres of modern office space and over 1,600 square metres of retail area. The property was completed in 2001.

CTP & UNICREDIT BANK AGREE NEW LOAN FACILITIES

CTP and UniCredit Bank concluded loan agreements totalling EUR 69 million. The loans will be used to refinance four buildings at CTPark Divišov, CTPark Bor and CTPark Brno as well as to finance projects currently under construction at CTPark Bor and CTPark Brno.

The mutual co-operation of CTP and UniCredit Bank, which began in 2010 with a EUR 35 million loan, has resulted in nearly EUR 160 million of total financing by the end of 2013.

VOLKSWAGEN: NEW DISTRIBUTION CENTRE NEAR POZNAN

Volkswagen Group Poland, the official importer of VW, Audi, Seat, Skoda, Porsche and VW Commercial Vehicles in Poland, has signed an agreement to build a modern logistics centre in Komorniki near Poznan. The 30,000 square metre facility will be developed within the complex Segro Logistics Park Poznan and will be delivered by Q1 2015.

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THE WHOLE STORY:
MIPIM 2014 at stand R31.01



Hotel Bristol Warsaw is one of the most traditional hotels in the capital city of Poland. Now a consortium of international private investors has acquired the hotel operated by Starwood Hotels and Resorts.

HOTEL BRISTOL IN WARSAW SOLD

The 206-room Hotel Bristol in Warsaw has been sold to a consortium of international private investors. The transaction has been announced by Jones Lang LaSalle Hotels & Hospitality Group.

Hotel Bristol is located adjacent to Warsaw's Presidential Palace and a few minutes away from the Old Town and the main tourist and business districts of Warsaw. The property, operated by Starwood Hotels and Resorts underwent a EUR 13 million refurbishment and was rebranded to Luxury Collection in 2013.

INVESCO ACQUIRES GALERIA KAZIMIERZ IN KRAKOW

On behalf of its open-ended property pan-European Fund Invesco Real Estate has acquired Galeria Kazimierz shopping mall in Krakow, Poland. Galeria Kazimierz was sold by Globe Trade Center SA (GTC), developer of the shopping centre.

Galeria Kazimierz shopping mall, opened in 2005, is located in the historic centre of Krakow, on Podgórska street and offers 38,300 square metres of leasable space on two levels and divided into 140 units.

IMMOFINANZ GROUP EXPANDS STOP.SHOP. PORTFOLIO

Immofinanz Group is continuing the expansion of its Stop.Shop. retail warehouse chain: at the end of December, five operational commercial parks—four in Slovenia and one in the Czech Republic—were acquired for a total purchase price of approximately EUR 26 million. These five retail parks with a total of nearly 19,000 square metres of rentable space will be rebranded during the next months and will be outfitted with the characteristic Stop.Shop. look.

The package in Slovenia covers four properties in the cities of Celje, Velenje, Domzale and Postojna. The seller is a fund managed by Pramerica Real Estate Investors. This acquisition will increase Immofinanz Group's Slovenian retail warehouse portfolio to six locations.

The transaction in the Czech Republic involves a new commercial park in Kladno, a city roughly 30 kilometres northwest of Prague with 70,000 residents. The seller here is Strasser Immobilien Group. In the Czech Republic, Stop.Shop. brand now has ten branches.

Immofinanz Group is also expanding with its retail warehouse chain in Poland: in November 2013 the second Polish Stop.Shop. opened in Mława, and soon a further location will follow in Ketrzyn. Both retail warehouses are own development projects. Plans call for the addition of ten further Stop.Shop. retail warehouses in Poland over the coming years.



The signing of the financing agreements with the lenders and the Croatian Ministry of the Sea, Transport and Infrastructure for the Zagreb Airport concession marks the beginning of construction work on the new airport terminal.

NEW AIRPORT TERMINAL TO START IN ZAGREB

Aéroports de Paris Management, Bouygues Bâtiment International, TAV Airports, the Croatian construction company Viadukt, the Marguerite Fund and IFC, member of the World Bank Group, acting as the ZAICA Ltd consortium, owner of a 100 percent stake in the operating company MZLZ (Međunarodna Zračna Luka Zagreb d.d.), have signed the financing agreements with the lenders and the Croatian Ministry of the Sea, Transport and Infrastructure for the Zagreb Airport concession. This step marks the financial closing of the concession project, the commencement of airport operations by MZLZ and the beginning of construction work on the new airport terminal. The project comprises a total investment of EUR 331 million. The financial lenders for this project are the European Investment Bank EIB, IFC, Unicredit Bank Austria and Deutsche Bank. Once completed, the new terminal—scheduled to be delivered at the end of 2016—will be capable of handling 5 million passengers annually.

CA IMMO SELLS LIPOWY OFFICE BUILDING IN WARSAW

CA Immobilien Anlagen AG has signed the contract for the sale of the Warsaw office building, Lipowy Office Park. Kimberley sp. z o.o., a special purpose vehicle belonging to a US-listed REIT, is taking over the property for a purchase price of around EUR 108 million. Lipowy Office Park, completed in 2009, has a gross floor area above ground of about 40,000 square metres. The real estate consulting company, Colliers International, and Allen & Overy, solicitors, acted as advisors to the vendor.

NEPI ACQUIRES CITY PARK IN CONSTANTA

New Europe Property Investments (NEPI) has acquired City Park shopping centre in Constanta for EUR 81 million. As part of the deal, NEPI agreed to pay off the remaining EUR 48.5 million loan the developer Neocity had secured from Eurobank and National Bank of Greece for the initial investment. City Park shopping centre is located close to the Constanta city centre and in short distance from Mamaia, the most popular sea-side resort in Romania, and has 29,284 square metre of gross leasing area.

CTP & HELABA AGREE NEW LOAN FACILITY

CTP and Helaba concluded a loan agreement totalling EUR 54 million to be used for the refinancing of an existing portfolio of seven buildings in the CTPark Network in Brno, Ostrava, Jihlava as well as in Prague. In addition, this new financing will cover a production facility extension currently under construction at CTPark Ostrava, which is due for handover in March 2014.



Anne Klausmann,
Center Manager Ettlinger Tor, Karlsruhe

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UniCredit Bank Austria AG, ZAO UniCredit Bank and Gazprombank have jointly provided a senior facility to refinance Ducat Place III office building in Moscow. The building is owned by O1 Properties.

UNICREDIT BANK AUSTRIA: REFINANCING FOR O1 PROPERTIES

On behalf of a syndicate of banks, UniCredit Bank Austria AG has announced the completion of the refinancing of Ducat Place III in Moscow, an office centre located at 6 Gasheka street, in the Central Administrative District of Moscow with a total area of 46,085 square metres and a net rentable area of 33,251 square metres. UniCredit Bank Austria AG, ZAO UniCredit Bank and Gazprombank have jointly underwritten a USD 240 million senior facility to refinance Ducat Place III office building. The building is owned by O1 Properties. UniCredit is acting as agent of this financing transaction, with the underwriting of the facility being provided by UniCredit Bank Austria, ZAO UniCredit Bank Russia and Gazprombank.

BANK PEKAO PROVIDES LOAN FOR GALERIA SUDECKA

Echo Investment has concluded a loan agreement with Bank Pekao SA worth EUR 35.64 million. The funds acquired will be used to continue the construction of Galeria Sudecka in Jelenia Góra. The shopping and entertainment centre Galeria Sudecka is to be developed as a result of an extension of the Echo shopping centre on Jana Pawła II Avenue. The facility will have a retail area of 30,000 square metres. The opening is planned for second half of 2014. Currently 70 percent of the facility is let.

TGM LAUNCHES OPERATIONS IN UNITED ARAB EMIRATES

TriGranit Management (TGM) has established a new company in the United Arab Emirates, TGM Consultants (Dubai) FZ LLC. The number of countries within the TGM network thus grows to 14. In the last 12 months, the company entered the Romanian, Bulgarian, Macedonian, Armenian and Chinese markets.

CA IMMO AG ACQUIRES SHARES OF "P1" PORTFOLIO IN WARSAW

CA Immobilien Anlagen AG has acquired from AXA Immoselect the 49 per cent share in the "P1" Portfolio in Warsaw. The total market value of the portfolio, which was formerly held in the form of a joint venture between CA Immo and AXA Immoselect, is approximately EUR 280 million as at September 30, 2013. The outstanding share was acquired below the current net asset value (NAV) of the portfolio.

The portfolio comprises the Sienna Center, Saski Crescent, Saski Point, Bitwy Warszawskiej and Warsaw Towers office properties, which offer a combined usable space of around 125,000 square metres. Four of the buildings are located in Warsaw's Central Business District.



Hilton Sofia is one of the two hotels in CEE/SEE Irish Quinn Insurance has sold. New owner of Hilton Sofia is a consortium of Bulgarian businessmen.

QUINN SELLS SOFIA HILTON AND KRAKOW SHERATON

Irish Quinn Insurance and its administrators at Grant Thornton Dublin have sold two prime hotels in CEE/SEE achieving a combined price of EUR 62 million. CMS acted as legal advisors to Quinn Insurance throughout the sales process, the CEE Investment Team at Jones Lang La Salle Hotels & Hospitality Group has acted as the exclusive sales agents and advisors. The Sheraton Krakow hotel is a modern 232 bedroom hotel that opened in 2004 and is located in a prominent position on the banks of the river Vistula, close to the historic Wawel castle. The French specialist hotel company Algonquin acquired the Sheraton hotel for EUR 38 million. The Hilton Sofia hotel is located approximately two kilometres from the city centre on a busy arterial road. The hotel was sold for EUR 24 million to a consortium of local businessmen.

STAFFING



Peter Becár has been appointed Managing Director CEE at PointPark Properties (P3), with responsibility for the Czech Republic, Slovakia, Poland, Romania and Bulgaria. Peter Becár joined P3 in 2007 as Business Director Slovakia and was subsequently promoted to the role of Managing Director Slovakia. In 2010 his role was expanded to include responsibility for P3's operations in the Czech Republic.



Gernot Erler is the new Coordinator of German-Russian Intersocietal Cooperation. In this role he is following Andreas Schockenhoff who had held the position since 2006. Already from 2003 to 2006 Gernot Erler has been Coordinator of German-Russian Intersocietal Cooperation, a responsibility directly linked with the German Federal Foreign Office.



Frédéric Le Fichoux has become Partner at Cushman & Wakefield. Frédéric Le Fichoux is Head of C&W Hospitality for the CEE region (Czech Republic, Slovakia, Hungary, Poland, Romania and the Balkan countries). He has been in the hotel industry for more than 13 years. He joined the Prague's C&W Hospitality team in March 2007 and has provided hotel real estate advice and agency in the CEE region for the past nine years.

Josip Kardun is new Chief Operating Officer of Atrium European Real Estate. Additionally, Josip Kardun will act as Deputy Chief Executive Officer and will join Atrium's Group Executive Management Team. The appointment follows the departure of Nils-Christian Hakert, COO, who will leave the Group to pursue other business interests effective 31 March 2014. Josip Kardun, who sits on the Executive Board of ICSC Europe, joins Atrium from ECE Projektmanagement, where he has worked for seven years in a number of senior positions, most recently as its Chief Investment Officer and Head of Mergers & Acquisitions and Transaction Management Group.

Bernhard Mayer has been appointed CEO of Probus Real Estate. Bernhard Mayer is working for over 15 years in the real estate sector and was the head of the real estate project financing at Investkredit Bank AG and from 1999 to 2009 the managing director and CEO of Europolis. The last 5 years he worked as consultant in strategic management and investment in the real estate field.

*above left: Peter Becár
above right: Gernot Erler
in the middle left: Frédéric Le Fichoux
in the middle right: Josip Kardun
below: Bernhard Mayer*

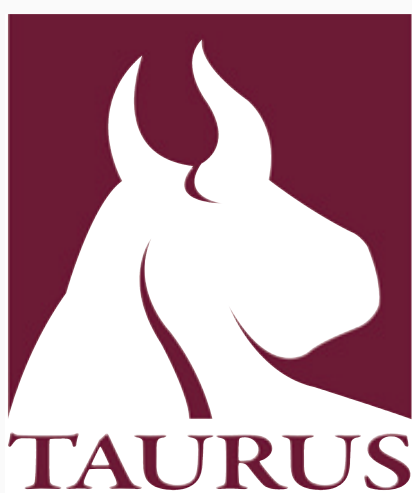
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LEASINGS

ATRIUM 1, WARSAW

POLAND 

Bravura Solutions Pty Limited has leased approximately 1,000 square metres in the newly emerging Atrium 1 office building in Warsaw. The tenant was represented by Jones Lang LaSalle. Atrium 1 offers 16,300 square metres of office space located on 15 floors. The developer of the building is Skanska Property Poland..

ZLOTE TARASY, WARSAW

POLAND 

In Lumen and Skylight, office buildings, which are part of Złote Tarasy office, retail and entertainment complex in Warsaw, new lease agreements totalling around 3,400 square metres have been signed in the last six months of 2013. Companies including Pradera Management Poland, Soflab Technology, Mezzanine Management Poland, Valad Poland, Dom Maklerski TMS Brokers and FinCo Capital have all joined Skylight's tenant portfolio. Page Group (Lumen) and Goodman Poland (Skylight) have both extended their lease agreements. Also CBRE Global Investors decided to lease office space in Lumen. Jones Lang LaSalle acted as a broker in the deals.

MARYNARSKA BUSINESS PARK, WARSAW

POLAND 

LeasingTeam, a recruitment, outsourcing and HR consulting company leased more than 1,000 square metres of office space within Marynarska Business Park in Warsaw. Jones Lang LaSalle advised in the lease agreement negotiations process. Marynarska Business Park, located in Mokotów district, consists of four modern buildings with 43,000 square metres of gross leasing area. It is owned by Heitman European Property Partners IV. Construction of the complex was completed in the summer of 2008.

WEST GATE, WROCLAW

POLAND 

Deichmann has leased over 1,200 square metres in West Gate office building at 12 Lotnicza Street in Wrocław. West Gate is being developed by Echo Investment and offers 16,000 square metres of office space.

TULIPAN PARK GLIWICE, GLIWICE

POLAND 

Segro has entered into a lease agreement with NNZ. NNZ leased nearly 2,500 square metres of warehouse and office space at Tulipan Park Gliwice which will serve as the company headquarters in Poland and a distribution centre for business clients in Poland.

NOWY SWIAT RETAIL CENTER, RZESZÓW

POLAND 

CBRE has announced that Media Expert has signed lease agreement for 875 square metres of space in Nowy Świat retail centre in the Polish city of Rzeszów. Nowy Świat retail gallery was opened in November 2009. On a total area of 24,000 square metres Nowy Świat houses more than 100 commercial units located on four levels. Investor of the project is Womak Alfa LLC.

SOLO INDUSTRIAL PARK, IASI

ROMANIA 

The automotive supplier Lear Corporation's Romanian operations leased 12,000 square metres of manufacturing and office space in the Solo Industrial Park of Letcani near Iasi. CBRE, which brokered the transaction, calls it the largest industrial rental contract signed in Romania this year. Solo Industrial Park is located nine kilometres from central Iasi.

AFI COTROCENI, BUCHAREST

ROMANIA 

H&M expanded its store at AFI Cotroceni in Bucharest by 800 square metres, making it the Swedish retailer's largest in Romania. The store now has a sales area of 2,500 square metres. H&M's second biggest location in Bucharest is its 2,400 square metre store at the Unirea shopping centre in the city's Unirii district. H&M has 30 stores in Romania.

BUCHAREST TOWER CENTER, BUCHAREST

ROMANIA 

The Ministry of European Funds will move its headquarters into the Bucharest Tower Center office building in Bucharest. The ministry signed a lease on approximately 3,800 square metres.



CEE & SEE GLOBAL REAL ESTATE
& ECONOMY TALKS

19 & 20 May 2014

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AFI PARK 3, BUCHAREST

ROMANIA 

AFI Europe Romania has signed a lease agreement for 40 percent of the total rentable area of the office building AFI Park 3 in Bucharest, with the British held IT Company Endava Romania. The company already occupied two floors in AFI Park 1, which will be relocated in the third building in December 2014, while also expanding its business with two additional floors.

IRIDE BUSINESS PARK, BUCHAREST

ROMANIA 

Procter & Gamble has extended its lease at Iride Business Park in northern Bucharest by another five years. The company also expanded its space at the park's Building 2 to 6,000 square metres. Iride Business Park is owned by Immofinanz Group.

CITY PALAIS, PRAGUE

CZECH REPUBLIC 

Julius Meinl has opened a three-storey department store near Wenceslas Square in Prague. Called Gourmanský palác, the 2,500 square metre store is situated in the City Palais building on 28 října street. Julius Meinl has a 10-year lease on Gourmanský palác with an option on two five-year extensions.

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HAPPY BIRTHDAY, MIPIM!

Celebrations in Cannes: This year Mipim takes place for the 25th time. Together with exhibitors present at the fair since long we look back on a quarter century of the international property industry's annual meeting point.

When Mipim has been launched in 1990 a couple of things were different in comparison to nowadays. Now every year the Palais des Festivals is bursting at the seams, so outside and around the Palais the exhibition area has been enlarged by temporary facilities, nobly called pavilions. In the beginning there was only the Palais and there only the basement for the exhibition. In the former underground parking area—that indeed was the original use—came together all of distinction in the real estate industry. The low height of the ceiling needed to be getting used to, but this did not change through all the years. Other things, however, have been changed: today it is strictly prohibited to smoke at the stands and in the café, and also the wonderful, nearly antique wooden cabinets with the press boxes for journalists have vanished.

Mipim's first years were characterised by a general atmosphere of change. Shortly before the Iron Curtain has been demolished. Therefore not only Western European exhibitors and visitors met in Cannes, but participants had also the possibility to get to know many cities, regions and companies from Central and Eastern Europe. Since the first issue of Mipim Aengevelt Immobilien, Düsseldorf, has been participated, and Lutz Aengevelt, Managing Partner, remembers: "The beginning of the 90s was some kind of Stone Age for the property industry. There was no transparency, there were no events to meet other real estate people. Therefore Mipim has been launched exactly at the right time." Right at the start he gave lectures and took part in panel discussions. "The conference



Mipim 1996: no outdoor advertising, Espace Riviera still missing and only a few yachts.

programme of Mipim was at least as important as the exhibition itself. We all had a tremendous lack of information. In this regard Mipim offered the possibility of exchange, in the beginning of data, but soon also about projects and objects."

With participants not only from Europe, but from the US, from Africa and Asia as well, the 'bunker'—as British participants named the exhibition space a bit disrespectfully—became more and more cramped. The motto was: Do things in a big way. The City of Berlin, for exam-

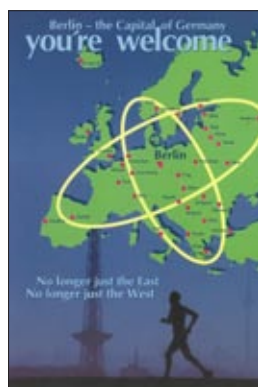
ple, has not been stingy: There was an evening reception in Hotel Carlton where Max Raabe appeared at stage. And the City of Vienna was successful in presenting Vienna Boys' Choir in Cannes. Oh dear, what efforts have been made to attract investors!

Berlin, divided into East and West till 1989, takes part in Mipim since 1994 following an advice of Wolfgang Nagel, former Senator for Urban Development and Housing. Michael Casper of Runze & Casper, the agency in charge of the

Berlin stand since the city's first participation in Mipim, remembers: "In the beginning the stand of the City of Berlin was run nearly without private participation. That has changed fundamentally in favour of private companies. And for many years Berlin brought along to Cannes a huge model of the inner city. Later we changed to the—at this time—biggest virtual city model of the world. This kind of presentation was something completely new."

Some day Berlin relocated to the fourth floor—Hamburg and Stuttgart followed. Then construction of Espace Riviera, an extension of exhibition space, had been finished and many exhibitors moved 'from the cellar to the light', because in Espace Riviera there are not only windows, but also terraces to sit outside. And it was possible to construct higher stands. Others like Warimpex and ECE, however, remained in the 'cellar'—both companies being exhibitors since 23 years. Alexander Otto, CEO of ECE, gives a résumé: "Not at least due to Mipim the real estate industry has experienced a significant internationalisation and an increase in professionalism over the years. However, during the booming years before 2007, there was little to realise of professionalism. In these times sanity seemed to be partly lost and gold rush fever dominated instead. After the slump of the financing crisis fortunately a more realistic business atmosphere returned. As once only excel sheets and quick deals have been important, as today long-term prospects are in the focus again." Franz Jurkowsch, Chairman of the Management Board of Warimpex AG, shares this impression: "In the booming years the number of Mipim participants increased significantly—partly by those who had no expert knowledge but got wind of big deals. Since the crisis the number has decreased, but the quality of contacts has distinctly increased." The remark about participants' quality Lutz Aengevelt confirms: "Still many companies are present at Mipim, but with less people and higher ranks." "That is true not only for real estate companies", adds Franz Jurkowsch, turning to another aspect: "Essential is the fruitful combination of rep-

resentatives of the property industry on the one hand and of cities and regions on the other hand because project development and urban or regional development have a strong interdependency." Also his colleague in the Management Board



The reunited City of Berlin was among the exhibitors of Mipim's early times.

Georg Folian focuses on the wide variety of Mipim participants and the respective benefit: "For some important projects first contacts have been made in Cannes. As an example I want to mention the contact to Intercontinental Hotel Group: This first contact at Mipim has been the starting point of the successful development of Hotel Intercontinental Warsaw and later on of Hotels Crowne Plaza Saint Petersburg."

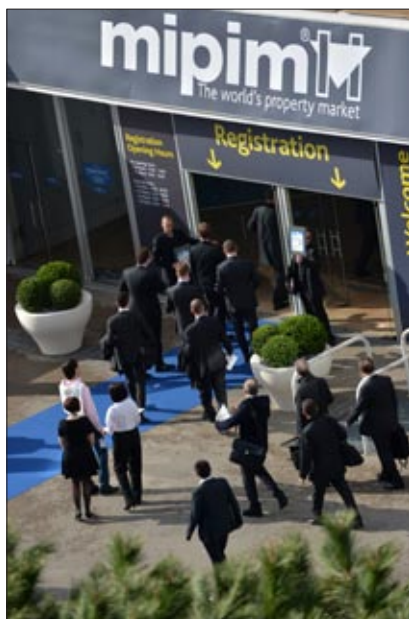
Not only Mipim, also the real estate industry has changed substantially. Volker Harr, Manager Marketing of Helaba Landesbank Hessen-Thüringen, exhibitor at Mipim since 1997, refers to "internationalisation, acceleration of markets and information, the establishment of real estate as an asset class, and the increasing professionalism of the real estate industry" as the main changes during the last decades. According to him, during all the time Mipim has played an important part in this process: "We are mainly focused on our clients in Cannes. But Mipim is offering also the possibility to inform about trends and innovations as well as to spot the disposition of real estate professionals for special topics." Alexander Otto put it in short: "Mipim is the best opportunity to establish contacts and to discover opportunities."

Year by year Mipim has been expanding, and step by step the event spread out to Cannes itself. It started with yachts—for some exhibitors an alternative to stands and hotels. Comprehensibly the organizer of Mipim, Reed Midem, was not amused.

Lutz Aengevelt is talking about "reaction and backlash" to explain the attitude of participants on the one hand and of Reed Midem on the other hand. Finally the yacht harbour has been defined as exhibition area, so nobody without badge is allowed to enter. But meanwhile Mipim has entered also the nearby hotels, bars, and restaurants.

Yachts, hotels, bars—and that all on Côte d'Azur? No wonder, that since its start Mipim has to struggle with some cliché. Lutz Aengevelt put the things in the right perspective: "The rather relaxed atmosphere and the special environment contribute to successful business. Despite some cut and dried opinions Mipim is an exhibition where people are really trading." And he is pleased that Mipim has become again a real trade fair. "The aim Mipim has been launched for 25 years ago—more transparency—is meanwhile a matter of course. Today fairs mean days of concentrated working. And I am happy to see that the number of golf bags among the luggage is decreasing." Well then: cheers for Mipim's next successful 25 years! | **Andreas Schiller**

Andreas Schiller took part in Mipim for the first time in 1996.



When participants from all over the world will meet at Mipim 2014, Turkey, Russia and Brazil as 'Countries of Honour' will be in the focus of special interest.

MIPIM 2014 AT A GLANCE

Although from 11th to 14th of March 2014 Mipim in Cannes is celebrating its 25th anniversary, the general look will not only go back to the past, but mainly to the present and the near future. Three property markets, offering extraordinary business growth opportunities, have been chosen for 'Countries of Honour': Turkey, already last year honoured by this title, Russia and Brazil. Special interest is not only dedicated to the exhibitors of these three countries, but also to the respective markets: in the conference programme there is dedicated one day to each of them.

With Russia and Turkey two of three 'Countries of Honour' are from CEE/SEE. By exhibitors and visitors as well, both will have a prominent position by mere quantity. Of the 1,960 exhibiting companies and local or public authorities (February 23, 2014) 1,831 are from Europe, 292 exhibitors alone from CEE/SEE countries. With 139 exhibitors Russia will show the strongest presence, followed by Poland (49 exhibitors) and Turkey (27 exhibitors). Mainly among the Russian and Turkish participants there are many companies present with a stand at this year's Mipim. These include internationally well-known companies like Capital Group, Hals-Development, O1 Properties and PIK Group, and among other prestigious Russian projects there will be presented VTB Arena Park, the reconstruction and refurbishment of Dynamo Central Stadium in Moscow, that will be changed into an sports and entertainment complex with shopping centre, hotel, office and residential areas.

Having a closer look at who is coming from CEE/SEE, business services with 65 exhibitors are the strongest group. In this group subsumed are law firms, accountants and tax advisers as well as consultants and investment/occupation adviser/agents, but also banks and credit providers. With 60 exhibitors from CEE/SEE developers are the second strongest group. On the third rank by quantity are service providers/suppliers (52 exhibitors) comprising engineering and construction companies, interior architects/designers/consultants, facility manager and marketing/advertising/PR agencies. Middle-ranking activities of CEE/SEE exhibitors are investors (35 exhibitors), local and public authorities (30 exhibitors), architects & planners (27 exhibitors). These six areas of business activities are also the strongest groups among the Mipim exhibitors in general.

But conversely, which visitors from CEE/SEE exhibitors can expect at Mipim? Of the total of 4,089 companies or local and public authorities having representatives in Cannes, 3,789 are of European origin and of these again 470 are travelling from CEE/SEE to Cannes. As among the exhibitors Russians are dominating the visitors from CEE/SEE countries—216 companies have already registered for participation. The second strongest group although with a clear distance are representatives of Turkish companies (91), followed by visitors from Poland (83). Still in the double-digit range are Czech (25) and Hungarian (11) visitors. Subdivided by business activities of the visitors from CEE/SEE the strongest group are developers (148 companies), followed by business services (121) and service providers/suppliers (91), but with 68 companies investors have a substantial share as well in the visiting companies from CEE/SEE. | **Marianne Schulze**



VOTE FOR THE NUMBER ONE

The Dancing Towers already are number one on Hamburg's most famous street. Now they are to become the number one at MIPIM. Their bent façade is breathtaking, and their address – Reeperbahn 1, Hamburg-St. Pauli – is a place where creativity, modernity and urbanity come together. The tango-dancing high-rise has made it into the finals at MIPIM. Now it's your turn: help make us the number one at MIPIM! Vote for the Dancing Towers in the category of Best Office & Business Development.

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STRABAG

INSIGHTS FROM OUTSIDE



Zorlu Center, one of the biggest developments in Istanbul in the recent past, has been opened in autumn 2013.

For the second time in succession Turkey is 'Country of Honour' at Mipim. The country is offering excellent opportunities to the real estate industry, but is currently characterised by some political turbulences.

Over years the advantages of Turkey have been elaborated many times: economic stability with high growth rates, the size of the country and its cities, the demographic trend, consumer confidence and increasing purchase power, a new life-style among younger people, and a certain backlog in many (property) market segments, among others also in infrastructure. Some characteristics as size and consumer confidence remain unchanged, others as population are growing annually, but the economic fundamentals have worsened. One and not

the least reason are the political turbulences the country is going through since last year. There was a lot to learn about in the newspapers and in television reports, so it is not necessary to repeat it. However, there is to ask about the impact of the political situation on the real estate industry.

Despite the political turbulences business is going on, especially with retail real estate. In October last year the 44,000 square metre shopping centre 'Forum Gaziantep', developed by Multi Development in the city of Gaziantep, has opened its doors. Some weeks before, in the same city, 'Prime Mall Gaziantep' has been delivered by Prime Development. In autumn, 'Zorlu Center' in Istanbul, one of the biggest development of the last years, has been inaugurated. Lo-

cated in the city centre next to the office and financial district Levent, 'Zorlu Center' comprises a shopping centre, offices and upmarket residential units, a concert hall and a Raffles Hotel. The shopping centre is offering a flagship-store of Beymen, international fashion chains like Dior, Louis Vuitton, Prada, Saint Lauren, Tiffany, H&M and Gap, but as well Turkish fashion stores like Koton and Mavi. Also located in the shopping centre is the first Jamie Olivier restaurant in Istanbul, and soon the first Apple store in Turkey spread over three storeys will open its doors. 'Zorlu Center' has been developed not by an international player, but by companies of the Turkish family Zorlu. That explains the project's name.

'Business as usual' without taking care of the political environment? "No", says

Andreas Hohlmann, Managing Director of ECE Türkiye, "you have to take the political situation seriously, but also to judge it in the right way" and adjusts the international perception by the domestic sight: "Many people have been absolutely amazed by the news about bribery and corruption", he remembers as well as the fact, that quickly "everybody was talking about it". But according to him it is difficult to know what is true or not. He is critical of the media: "We don't know what really happened and whether we can trust all the newspapers here in Turkey. How reliable are the immediately published pin-sharp pictures of shoeboxes full of money or of a banknote counter? I have to ask myself: What is objective evidence?"

Objectively evident at least is the effect on the exchange rate of the Turkish Lira: its value is decreasing continuously. Indeed, currently the currencies of other emerging markets are also depreciating, but in Turkey there is to add that "the political situation has lead to an economic crisis that has its impact also on the real estate market", as Glenn Aaronson, Chairman of FTF Forum Turkey Fund, states. After the Gezi Park protests last summer exchange rate against Euro increased from TRY 2.30 to TRY 2.50, in autumn to TRY 2.70, and currently Turkish people have to pay about TRY 3 for EUR 1. One of the consequences: shopping centre tenants have to face hard times. "Although rental agreements are based on Euro, turnover is generated in Turkish Lira", Andreas Hohlmann explains. "Rents are generally charged in Euro at the current exchange rate. De facto this is a raise in rent by 25 – 30 percent but not caused by the landlord." To avoid that many a tenant "is getting into the red" new terms of payment have to be established, for example the calculation of rents according to frozen exchange rates, Andreas Hohlmann continues. "That means both tenants and landlords as well have some losses, but they are struggling jointly through the hard times." At the same breath the ECE Türkiye Managing Director is warning to overrate the actual slowdown in sales,

"because for retail January and February are traditionally weak months. Comforting, however, is that there is no general break in consumer spending. That is a crucial difference to the situation in 2008."

One man's poison is the other man's

company's portfolio comprises 12 shopping centres, further three management agreements have been already signed. The most recent activities: in November ECE has taken over the leasing and management of a new shopping centre in Afyonkarahisar (Afyon) in western Anatolia that is scheduled to open in 2015.



Visualisation of Park Vera shopping centre in Ankara

meat. The current exchange rate of Turkish Lira against Euro is troubling Turkey's people and economy, but it is virtually an invitation to international investors. "Who is investing now, is getting more for his money", Andreas Hohlmann gets to the point. However, no increase in international investments is to observe. The reasons is the general uncertainty after the Gezi Park protests and the recent governmental reactions on the allegations of bribery. But Andreas Hohlmann puts it into the right perspective: "Who is active in Turkey since long like ECE will stay. Who does not want to expand to Turkey, does not come anyway. Only those who wanted to enter the market now, will possibly postpone their decision."

ECE is active in Turkey since 14 years and business is going on. With two own shopping centres, 'Marmara Park' in Istanbul and 'Espark' in the city of Eskişehir, and 10 other malls operated by ECE the

Another example is 'Maltepe Park', a shopping centre in Istanbul owned by Carrefour and operated by ECE: last year it has been modernised and extended from 31,000 to 75,000 square metres. In July 2013 ECE has taken over 'Acity' shopping centre in Ankara and has been entrusted with the long-term management of the 39.000 square metre property developed and owned by Turkish A1 Grup. And less than a month later ECE has been appointed by the same company to lease and manage the 'Park Vera' shopping centre, also located in Ankara and currently still under construction.

Since long also the biggest German retail and wholesale group Metro is present in Turkey with the sales divisions of Metro Cash & Carry, Media-Saturn and Real hypermarkets. Metro is operating 75 locations in Turkey owning 28 of them—20 wholesale and 8 retail shop-



Shopping centres continue to be in the focus of international investors in Turkey.

ping centres. One of these is the M1 Center in Gaziantep: "We realise the long-term economic growth potential of Turkey and from today's point of view we are convinced that in the medium term Turkey will get back to politically shallow waters and restart the economic growth of the last years", Michael Wiedmann, Head of Corporate Public Policy at Metro AG, comments.

Multi Development has entered the Turkish market in 2004. Since then the company has developed 11 shopping centres, among them 'Forum Istanbul' and 'Forum Marmara' on the European side of Bosphorus as well as 'Forum Trabzon' in the city of the same name on the Black Sea, 'Forum Kayseri' in central Anatolia and not far away from Kayseri 'Forum Kapadokya' in the city of Nevsehir. Eight shopping centres are fully owned by Forum Turkey Fund FTF, among them also 'Forum Istanbul', opened in 2009 and with 180,000 square metres the biggest shopping centre Multi has ever de-

veloped in Turkey. Main investor of FTF is the Canadian pension fund CPPIB, in 2011 joined by Morgan Stanley on behalf of Morgan Stanley Real Estate Fund V, so FTF represents three big international investors. Glenn Aaronson, Chairman of Forum Turkey Fund, is "still strongly convinced of Turkey". And as a proof he mentions the fact that "the project development team of Multi Development continues to work on other sites in Turkey."

The generally positive mood in retail and retail property Andreas Hohlmann is explaining by the following: "During the last 13 years Turkey has achieved a lot. There are objective facts against subjective perceptions. That is inspiring investor's confidence."

In this context there is to refer to the new undersea railway tunnel under the Bosphorus strait as well as to plans for other prominent projects like the new financial district 'Istanbul Finance Centre IFM', the third airport in Istanbul with six run-

ways, the third bridge over the Bosphorus and many other investments in infrastructure like the high-speed railway connection between Ankara and Istanbul.

And what will come in the near future? Referring to the turbulences Glenn Aaronson of Forum Turkey Fund recommends to "fasten your seat belts". But this is only for short time. The 'captain' of FTF emphasises "the long-term commitment" to Turkey that is beyond all questions for FTF as well as for Multi Development: "There is no doubt about it." As well Andreas Hohlmann confirms a long-term commitment of ECE to Turkey and advises to some critics "to held their breath as a start and to ask for facts instead of following a media hype. For sure", he continues, "the current political situation is painful, but you have to see things in the long term."

This point of view is shared by Jason Lucas, President of Amstar Global Advisers. Together with the Turkish real estate company Renaissance Amstar is invested in five shopping centres in the country. "Despite the current political situation, the Turkish real estate market remains attractive for long term investment due to a number of economic and demographic drivers including a burgeoning middle class, rapid urbanization and favorable demographics. To capitalize on these characteristics, Amstar will continue to build on its leading platform for Turkish retail by investing in the development of large retail centres in undersupplied cities as well as smaller retail centres in submarkets with high barriers to entry." Already four out of five Amstar centres are located outside Istanbul in cities in Anatolia. Furthermore Jason Lucas is considering the residential market in Turkey. "Over the next several years, Amstar is also likely to expand its development strategy to include residential development, which is supported by additional factors such as the ongoing transition from multi-generational to smaller households and the large amount of low quality residential stock, much of which remains vulnerable to earthquakes." | **Andreas Schiller**

THREE QUESTIONS TO ...



... Jason M. Lucas, President of Amstar Global Advisers (left), and Prof. Lorenz Reibling, Senior Partner and Chairman, Taurus Investment Holdings (right)

This year again Turkey is 'Country of Honour' at Mipim, but currently it seems to be a 'Country of Political Turbulences' as well. How do you see the relevance and the impact of the current political turbulences in Turkey?

Jason Lucas: Turkey's political environment has had its share of challenges throughout 2013 and we are constantly monitoring the potential impacts to our investment strategies and projects. In mid-2013, the political protests could have been handled better and the situation has become even more fragile as a result of the recent corruption allegations against the governing Justice and Development Party AKP. Our expectation is that the situation will not improve markedly until after the municipal elections on March 30, 2014.

Along with the political uncertainty and as a result of reduced risk appetite for Turkey and other emerging markets, the Turkish Lira depreciated by more than 10 percent against the Euro since the initial corruption allegations were publicized in December 2013 to the end of January 2014. Fortunately, on January 28th the Central Bank of Turkey took decisive action to support the Lira by significantly

raising interest rates. We are hopeful that these steps will be sufficient to ease pressure on the Turkish currency and are indicative of the Central Bank's willingness to move towards more conventional monetary policy.

Lorenz Reibling: Turkish people and the Turkish culture is indeed that of a 'Country of Honour'. Consequently I believe, Turkey was an excellent choice. I don't think Turkey is necessarily a 'Country of Political Turbulences', although it has to learn using its power, verbal or physical, in a commensurate way. Germany learnt that lesson as well, causing quite a bit of turbulence.

Property is—more or less—a long-term investment; in contrast politics often act in short- and medium-term periods. What will be the impact of the current situation in Turkey on the real estate industry?

Jason Lucas: In the short term, it is possible that exit liquidity will be impacted. At the same time, this could also create attractive buying opportunities, and we are considering a number of projects while actively managing our existing in-

vestments. It is important to realize that much of the current turmoil is cyclical rather than structural in nature. We still consider Turkey to be one of the world's most attractive real estate markets due to the country's long term economic and demographic fundamentals. Over time, we expect that these catalysts will become more apparent again and the pace of investment into Turkish real estate will continue to grow.

Lorenz Reibling: Well, the Great Recession in 2008 added a couple of years to our exit-assumptions. And money is made (or lost) when things are sold, not bought!

Let's remember, that recession wasn't caused by Turkey, but by misrepresented mortgage backed securities crafted in the USA, then bought in abundance by rather naïve German bankers. The current turmoil, caused by the policy of the Federal Reserve Bank of the USA, will add a similar time span. So everything takes 4–5 years longer than expected. I do not think that exits are very advisable in the near future. Let's remain patient rather than panic.

However, long term, there is no doubt in my mind, Turkey will succeed and

create adequate returns. Turkey is not a banana republic but a young, educated and dynamic country, learning to adjust to the new realities demanded by the international business and political communities.

What does the impact mean for whom: developers, investors, tenants and users, cities and regions? And especially: what about your company?

Jason Lucas: Similar to nearly all cyclical slowdowns, investors are cautious. While the first half of 2013 was characterized by large retail acquisitions by Blackstone and GIC Government of Singapore Investment Corporation, over the past several months, developers and investors have taken a step back to consider the effects of the situation and plan for the future. That said, the existing retail development pipeline in Turkey is large, with over two million square metres expected for delivery by the end of 2015, so although the pace of new project development has slowed, developers remain active.

Meanwhile, tenants are being a bit more cautious in terms of lease negotiation. However we have not seen a significant slowdown in underlying occupier demand or expansion strategies. In 2013, Amstar successfully delivered three shopping centres comprising more than 160,000 square metres a combined 95 percent leased, and the demand from tenants for our remaining space is such that we expect to be fully leased and stabilized by mid-2014. Clearly this would indicate that retailers have a positive long term outlook on Turkey and although we remain cautious, Amstar is similarly optimistic for the country's long term investment potential.

Lorenz Reibling: Development is one of the riskiest and capital-intensive human endeavours. It can be very profitable, but

only if the timing is right. Only optimists can thrive and survive in that arena. The chaff will be weeded out and strong, some new, players will surface. Smart investors will stay put or take advantage of buying opportunities. Smaller attractive towns, less known regions as a whole, will certainly lose the most, whereas Istanbul and Ankara will continue on a growth path, albeit much slower.

The macro-picture remains sunny. Japan's per capita national debt is much larger than Turkey's and the Rising Sun has not collapsed yet into the sea. So why should Turkey? It is all a question of confidence.

For a while it will certainly be harder for Turkey to attract foreign companies and tenants. That is a high price. Arrogance or brutality on the political level does not improve the underlying issues. We

all have to humbly accept the interdependence of Eurasia. Those who want to play their own game will be removed or not even admitted to the table. The rules must be the same for all players. Also for Turkey, as much to human rights, as to transparency and corruption.

Taurus will continue to look for 'opportunities', while the cannons roar. That is the time to buy, isn't it? Hope our international investors will continue to back that strategy. So far they have fared quite well with Taurus over the past three decades. Particularly those that stuck out the chaotic and turbulent periods reaping ample rewards thereafter.

ABOUT AMSTAR

Amstar entered the Turkish market in 2007. Amstar's first two developments in Turkey, Kozzy Shopping Center in Istanbul and Adana Optimum Shopping Center in Adana, were delivered in 2010 and 2011, respectively. Amstar's Turkish shopping centre portfolio consists of five shopping centres comprising 250,000 square metres of gross leasing area and a projected gross asset value of more than USD 1 billion. The shopping centres are co-owned with Amstar's long-standing development partner Renaissance, which separately owns an additional six operational Turkish shopping centres comprising another 250,000 square metres. Amstar's five shopping centres are located in city-centre or dense urban infill locations in Istanbul, Adana, Samsun, Maras and Urfa.

ABOUT TAURUS

Taurus entered the Turkish market in 2006. Located in Istanbul, Taurus' Turkey team focuses on developing mid to large-scale commercial and residential real estate projects throughout the country with the aim of creating urban spaces where users could live, work and play. Taurus projects in Turkey include a large retail anchored mixed-use development in Ankara and a hotel redevelopment project in Istanbul. The Taurus Ankara Mall, opened end of October 2013, is a mixed-use development with a shopping centre with approximately 42,000 square meters of gross leasing area and an office tower with 12,000 square meters of space.

BACKSTAGE EXHIBITIONS FRONT PAGE



If the capital city of Russia is presenting itself in Cannes, then everything has to be impressive and convincing.

Going through the exhibition halls the afternoon before its opening gives an impression of total chaos: hammering everywhere, teams pottering round the stands, materials, euro-pallets, tools and working equipment blocking the hallways, and nobody would believe that work will be finished in time. However, at the opening of a fair everything is perfect and presentable, and nothing is reminding of the efforts behind the presentation of a company, city, or region.

The eyes of Mipim 2014 participants will inevitably be caught by the City of Moscow. Russia's capital city will present itself in two rather prominent locations: in the 300 square metre Palm Pavilion

positioned near the main entrance to Mipim, and on an area of further 600 square metres in the Sea Breeze Pavilion, directly on the seaside behind the Espace Riviera.

It stands to reason that a metropolis like Moscow as well as other important cities, regions and companies want to present themselves as perfect as possible to the international real estate community. The fair's visitors are consciously or unconsciously registering the impression, but do not waste thoughts on how the stand has been designed and manufactured. This is the business of special stand design and manufacturing companies. For Mipim Moscow has chosen the Frankfurt-based company Spacewood that at the

end of last year has celebrated its 20th anniversary.

Sven Eismann, Founder and Managing Director of Spacewood, started as a cabinetmaker, designing tailor-made furniture and objects for private people and companies. Among his clients was a computer company for whom Sven Eismann had designed an special conference table. At this table sat representatives of the Frankfurt Economic Development GmbH and Helaba Landesbank Hessen-Thüringen discussing about Mipim and the stand they were planning for Cannes. The question was, who could do it. The computer company's suggestion was to ask Sven Eismann if he is willing and able to design and manufacture



A stand has to mirror the image of a company, with joint stands everything has to fit into the general concept.

a stand for an international fair. These first two clients have been the initial impulse to position Spacewood in the real estate fair's segment and in the design of stands. The list of companies and organisations who in the course of the time have become clients of Spacewood is both prominent and wide-spread: besides the two clients of the first time—Helaba is still working with Spacewood—there are others like Cushman & Wakefield, Aareal Bank, Deutsche Bank and its real estate and asset management subsidiaries (they have changed name many times, currently it is "Deutsche Asset & Wealth Management"), Deka and Apcoa, but as well smaller organisations like IREBS International Real Estate Business School, gif – Society of Property Researchers, Germany, and the British BRE Group.

Sven Eismann will never forget his first Mipim in 1997: "It was really challenging. On one hand, unexpected challenges had to be faced since the exhibition was in France, the Palais regulations in terms of security very strict, and Cannes is very special. Moreover, there arose new logistic requirements, a chain reaction of problems to be solved within sharp deadlines, or just yesterday. On the day of Mipim's opening I left the halls at six in the morning, having worked through all the night, took a shower, had a shave,

changed clothes, ordered two strong espressos in Café Roma and at eight I was back in the halls to deliver the stands to my clients. A couple of hours later, when Mipim has been opened, everything was perfect and my clients happy. But for me, I went to bed and slept 24 hours."

Meanwhile Spacewood is up to every trick in the fair business and has a well elaborated network so everything goes like clockwork. And Spacewood has expanded to a team of 15 experts in different fields (among them cabinet makers, designers, architects, logistic experts and electricians) and a special company taking care for sound, video and lighting technologies at the stands and their perfect functioning during the fair and during exhibitor events. Furthermore, there are many partner companies Spacewood is working together with at the different fair locations. Among them are not only Cannes and Munich, but as well Barcelona, London, Vienna, Istanbul and Moscow. And what is important as well: over the years everywhere Spacewood has created a multifaceted network that makes it easy to satisfy the many and sometimes non-standard requests of its clients on the spot.

"We are experts in creating solutions, big enough to manage an exhibition project

properly, but not too big to lose sight of the details, of the tailor-made client service", Sven Eismann is commenting his company's development. Meanwhile Spacewood's business is much more than booth construction. "We offer an overall service package to our clients. Besides the pure stand we organise the catering, we select and brief fair hostesses and waiters, we design and handle promotion material and give-aways, supervise the printing of brochures and invitation cards, we take care of the flower decoration at the stand, and we find last-minute logistic problem solutions – in case urgent material is needed in Cannes." The company has developed with its clients. "If in the beginning, biscuits and fruits were served at the stand, a live-cooking station is now part of the exhibition performance", explains Sven Eismann.

The main factors contributing to the company's success are design competence, quality in manufacturing and an always state-of-the-art technology. Especially the latter has payed out: Already at the end of the 90s Spacewood has offered its clients not only final drawings and models of the stand, but renderings and video films 'leading' through the stand. "The always state-of-the-art technology gives a competitive edge", Sven Eismann comments. And the comprehensive technical



The screen wall of the City of Moscow—result of perfect international cooperation

know-how was one of the reasons why the City of Moscow entrusted Spacewood last year and this year again with design, construction and organisation of their presentation at Mipim—a fact the whole Spacewood team is very proud of.

In 2013 Moscow was present at Mipim in two locations: the Sea Breeze Pavilion on the seaside—a bit smaller than this year—and an area in the Espace Riviera, a rotunda causing some special challenges for stand construction. Of course, there are plans, but—as it is with round building—indications of measurements are not completely precise. That meant to construct the parts of the stand with some tolerance enabling an adaptation to the reality while building-up the stand in the hall. The ideal is to construct a stand in a way that on the fair ground the parts have only to be unpacked and are fitting together without any problems. Also in this case there is enough work to do: last year two 40-ton and two 12-ton trucks were needed to transport the Moscow stands from Frankfurt to Cannes, for two built-up areas, each of 300 square metres. It is not only the stands—the construction also includes conference facili-

ties, a VIP lounge, service areas and a terrace as well.

In Espace Riviera the co-exhibitors of the City of Moscow have been positioned. They had special requests for presentations that needed to be adapted to the general appearance of the stand to fit into the overall concept. And even though the building-up of the stand in the hall is well planned and organised, there are many details often costly in terms of time and effort: There are requests to change graphic representations, technical requirements given in advance are not taken into account and are now causing some trouble, or a model has been damaged by transport and has to be repaired—all these problems have to be solved by Spacewood in the mere one week left of the build-up before the opening of the fair.

A masterpiece of technology, however, has been the large wall made of screens looking like one in the Sea Breeze Pavilion. The films have been produced in Moscow, but different computer systems can be an evil trap. Every visitor of the pavilion could see for himself that a screen

wall installed in France by a German company and showing films produced in Russia worked perfectly. Nobody could guess the many talks and meetings and alignments necessary in advance.

Stand build-up is the mirror reflecting the proficiency of the stand design and manufacturing company. For big-size stands as those for the City of Moscow Spacewood takes at least six months, for 'normal' stands a lead time of three months is sufficient. The time calculation is quite simple: about two weeks are needed to design the stand, to jointly agree on the concept and to calculate the costs; approximately six weeks are needed for construction, followed by transport and about one week for the building-up on a fair ground.

The advantage of an individual stand is mainly the multiple usage and a high brand recognition. According to the specific exhibition and exhibition location every stand designed and constructed by Spacewood can be changed in size in a range between 6 and 120 square metres. For many exhibitors an individual stand is both economically as well as ecologically a good solution because it is an investment for many years and can be updated to changing requirements without large expenses accruing.

Looking back to the last 20 years and Spacewood's development Sven Eismann has been asked about his personal formula for success. His answer neither referred to the latest high-tech nor never-ending innovation—this is a matter of course for him. He just mentioned: "We try to show to everybody we have to deal with respect and esteem—from the security staff of an exhibition up to the forklift operator or the waiter, it does not make any difference to us." Maybe, respect and esteem to everybody is the reason why a metropolis like Moscow has chosen Spacewood in Frankfurt for their stand manufacturing and why the inevitable bigger and smaller challenges are always quickly solved by Spacewood. | **Marianne Schulze**

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FOR YOUR PLANNING

When	What	Where	For information and registration
11. – 14. March 2014	Mipim	Palais des Festivals, Cannes, France	www.mipim.com
14. March 2014	IRE Expert Conference "Smart Cities"	Old City Hall, Wroclaw, Poland	www.institutire.eu
3. April 2014	IPD Central and Eastern Europe Conference	Prague, Czech Republic	www.ipd.com/events/conferences
17. – 22. May 2014	65. FIABCI Weltkongress „Building Humanity“	Luxembourg	www.fiabci65.com
19./20 May 2014	Global Real Estate & Economic Talks GREET Vienna	Palais Niederösterreich, Herengasse 13, Vienna Austria	www.greetvienna.com
21. – 23. May 2014	RealCorp – 19th International Conference on Urban Planning and Regional Development in the Information Society GeoMultimedia	Vienna, Austria	www.corp.at
3. – 5. June 2014	Provada	Amsterdam RAI, Europaplein 22, Amsterdam, The Netherlands	www.provada.nl
24. – 26. June 2014	EIRE Expo Italia Real Estate	Fieramilanocity, Viale Lodovico Scarampo, Porta Teodorico 5, Milan, Italy	www.italiarealestate.it
25. – 28. June 2014	ERES Annual Conference 2014	Bucharest University of Economic Studies ASE Bucharest, Romania	http://eres2014.ase.ro
28. – 30. September 2014	10th Conference of European Regions and Cities "Vision of Europe and its Regions"	City Hall of Vienna, Austria	www.institutire.com
6. – 8. October 2014	Expo Real 17th International Trade Fair for Property and Investment	New Munich Trade Fair, Munich, Germany	www.exporeal.net
19. – 21. November 2014	Mapic – The International Retail Property Market	Palais des Festivals, Cannes, France	www.mapic.com

THE NEW CONTINENT OF EUROPE

Since more than 20 years Europe is no longer divided in East and West. 1989 is deemed to be the 'magic date', but the gradual opening of the Iron Curtain and the transition process has been started much earlier—and off official policies.

It is the merit of the most recent book of Karl Schlögel, a thoughtful and knowledgeable observant of Europe's enlargement to the east, to trace the decisive links between East and West and how the network has been enlarged and has become stronger and stronger. It is not only the East but the West as well who is benefiting from the fact that cultural relationships developed through centuries and cut off after the Second World War are step by step establishing again and that the West's horizon is literally and figuratively enlarging again.

Published in times when Euro crisis has been dominating the headlines and when politicians are conjuring the union of the European countries, when disenchantment with the EU is an often-cited catchword, when only the problems are in discussion but advantages and the success of Europe's unification are rarely mentioned the book offers some

hope. Following the author's arguments the unification of Europe takes place mainly by "the plastic bag that is traveling to Siberia", by trade and transport of goods as well as by the increasing tourism between East and West and last, but not least by migrant labourers—an exchange between East and West that despite some less positive side-effects is the main cause for the crossing of ideas, concepts and patterns of behaviour.

An individual chapter is dedicated to Russia, a country geographically belonging to the European and Asian continent, "Europe" is having some difficulties with. Definitely Karl Schlögel is a critical observer of the country's political development, but as well-known expert for Russia and its recent history—a responsibility not always easy to bear—his understanding of some Russian features is more profound and he is able to identify possible starting points for a more positive development.

And as well as in the case of Russia the book is generally offering some new insight into the not always simple situation and easy-going development of the continent of Europe.



Karl Schlögel
Grenzland Europa (Frontier Europe)
Unterwegs auf einem neuen Kontinent
(To be bound for a new continent)

352 pages, Hanser Verlag 2013
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