

SPH newsletter

news

News from CEE/SEE	page 2
Staffing	page 13
Lettings	page 14

special

Decision makers of the property industry are answering to questions about their expectations of Expo Real and about the topics dominating the fair.

page 18

background

Real estate investor's interest in the Czech Republic is returning. However, the different segments of the property market have still their risks.

page 23

events

Exhibitions, conventions and conferences

page 26

book review



International Project Management in Practise – Reports, Experiences, Case Studies

page 27

DEAR READERS!



Admittedly I do not read all of the press releases we get, and many of the them I do only scan and skim. Among those—again I have to confess it—are generally comments of economists and stock analysts. However, at the end of July I got caught by a press release of Saxo Bank. At the beginning chief economist Steen Jakobsen put a quotation of Albert Camus: "There are causes worth dying for, but none worth killing for."

The context to the news from Ukraine was immediately given. And exactly that is what Steen Jakobsen is dealing with. His following considerations I can only agree with and want to repeat some of them: "The world is increasingly becoming engaged in civil wars and general turmoil where Camus' words could and should play a central but never will. This article is one of the hardest to write as war is never about right or wrong. They are per definition always wrong and extremely personal and emotional. The fact is, however, that we need to put 'the risk of wars' into our macro outlook as they are increasing not only in intensity but also in the numbers of casualties."

Many analyses about what is happening in Ukraine as well as elsewhere in the world we read in newspapers and magazines, hear about it in the TV news, let alone information via internet and twitter and last but not least the social media. We cannot and do not want to add something by SPH Newsletter, but limit our focus on topics of real estate and investments. But generally the sentence of Albert Camus should be the motto.

Not only for the reading, but in a more general meaning I wish you reflectiveness.

Yours,

Andreas Schiller



In CTPark Turda in Romania CTP will construct a build-to-suit facility for Fränkische. Total investment will exceed EUR 2 million.

FRÄNKISCHE AND CTP EXTEND COOPERATION IN ROMANIA

CTP has announced an agreement with Fränkische to develop a custom-built solution for the German company at CTPark Turda in Romania. CTP will construct an approximately 3,400 square metre facility for Fränkische which is planned for completion next year. Total investment will exceed EUR 2 million. CTPark Turda is located in the centre of Romania, with close proximity to Cluj with direct motorway access to the A3 and A10 motorways, linking the park to all major Romanian cities, the Hungarian border and the international motorway network. CTPark Turda offers 300,000 square metres of prepared land for future tenants involved in manufacturing, distribution or logistics services.

TWO NEW BUILDINGS UNDER KNIGHT FRANK'S MANAGEMENT

Knight Frank has expanded its portfolio of properties by taking on the management of Silver Tower Center in Wrocław and Alma Tower in Kraków. Wisser Enterprise is the landlord of Silver Tower Center whilst Alma Tower belongs to UBM.

Silver Tower Center in Wrocław is a mixed-use building, which comprises office, retail, hotel (Ibis Styles) and a conference centre. The building offers over 35,000 square metres of office space and a car park for up to 120 cars and will be open for occupancy in September this year.

Alma Tower in Krakow opened for occupancy in May this year. All 10,700 square metres of office space is fully leased.

CA IMMO TO SELL STAKE IN UBM

CA Immobilien Anlagen AG is selling its shareholding in UBM Realitätenentwicklung Aktiengesellschaft of 25 percent (plus eight shares), which is held indirectly by the subsidiary CA Immo International Beteiligungsverwaltungs GmbH of Vienna. The buyer of the 1,500,008 bearer shares in UBM Realitätenentwicklung Aktiengesellschaft is Porr AG. The purchase price will be EUR 36 million or approximately EUR 24 per share.

Projects realised by CA Immo in partnership with UBM—Poleczki Business Park in Warsaw and Airport City St. Petersburg – will be unaffected by the transaction.

METRO GROUP SELLS REAL TURKEY TO HACI DURAN BEGENDIK

Metro Group signed an agreement with Hacı Duran Begendik about the divestment of Real's Turkish operations. The divestment of Real Turkey to Hacı Duran Begendik covers all twelve hypermarkets and the headquarters. It was agreed not to disclose the purchase price.

**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



Europe is growing.

With our financing solutions.

Real Estate Finance. Offering the best in bespoke financing, we are your experts for national and international markets. With solutions tailored to suit your needs, a lean organization, and fast decision making, we are a partner you count on for your projects – today and for many tomorrows to come.
www.helaba.com

Helaba | 



The second and last phase of the office development Kapelanka 42 in Krakow is nearing completion. The two nine-storey buildings comprise a total of approximately 30,000 square metres gross leasing area.

BUILDING B OF KAPELANKA 42 COMPLEX COMMISSIONED FOR USE

Kapelanka 42, Skanska's office building in Krakow, is nearing completion. Building B has now been commissioned for use. The entire complex is scheduled to be completed by Q3 2014. Kapelanka 42 is being developed by Skanska.

Kapelanka 42 office complex consists of 2 buildings. Each of them will comprise 9 storeys above and 3 storeys below ground level. Total gross leasing area will amount to 30,000 square metres.

Skanska Property Poland has already signed lease agreements concerning a large part of the office space in Kapelanka 42. So far, contracts have been signed by Tesco and Apriso, a company owned by Dassault Systèmes. Skanska's local units will also have their offices in the building.

IMMOFINANZ GROUP SELLS TWO LOGISTICS PROPERTIES IN CEE

Immofinanz Group announced the sale of two logistics properties: Bokserska Distribution Park in Warsaw and Westpoint Distribution Park in Prague. Both transactions took place above book value, with the combined proceeds totalling approximately EUR 33.2 million. Westpoint Distribution Park was sold to Central Group, while Bokserska Distribution Park was sold to UK & European Investments, a family office from Great Britain.

Bokserska Distribution Park is located in a logistics area in the south of Warsaw and has roughly 17,500 square metres of total space. The building was constructed in 2001 and is fully rented. Westpoint Distribution Park, which was built in the 1970s, has nearly 64,000 square metres of total space.

ING BANK: FINANCING LOAN FOR LOGICOR'S ACQUISITIONS IN CEE

LogiCor, Blackstone's European logistics platform, announced the acquisition of a portfolio of six prime logistics assets totalling 200,000 square metres in Poland and the Czech Republic from investors advised by Pramerica Real Estate Investors. The assets are Panattoni Parks located in Czeladz, Krakow, Gliwice, Park Błonie and Prague Airport, and Stolica Business Centre Łazy.

ING Bank Śląski S.A. initially closed a first term loan on 6th May 2014 for EUR 92.3 million to finance Blackstone's acquisition of three Polish logistics assets from Standard Life Investments Select Property Fund. The loan facility was further expanded after LogiCor acquired six further assets. An increase up to EUR174 million has been fully underwritten by ING who acted as Mandated Lead Arranger, Account Bank and Agent. Nordea Bank Polska S.A. has joined the financing shortly thereafter as Arranger providing a EUR 75 million ticket.

IMMOFINANZ
GROUP

more
than
office

office.immofinanz.com

When Clark Kent
prefers to stay
in the office.

THE WHOLE STORY:
EXPO REAL 2014 at stand B2.110



Vitantis Bucharest is one of the first shopping centres and retail parks delivered in Romania's capital city.

REVETAS FUND I ACQUIRES VITANTIS BUCHAREST

Revetas Capital Advisors LLP, a real estate investment manager specialised on value added and opportunistic investments in Central and Eastern Europe, has announced the acquisition of Vitantis Bucharest by Revetas Fund I. Vendor is Equest Balkan Properties (EBP). Vitantis Bucharest is a retail scheme comprising over 35,400 square metres. The purchase price has not been disclosed.

PBB: FINANCING LOAN FOR THE ACQUISITION OF GALERIA MAZOVIA

pbb Deutsche Pfandbriefbank has agreed a EUR 21 million medium-term acquisition facility for the CBRE European Shopping Centre Fund for its acquisition of the shopping centre Galeria Mazovia in the Polish city of Płock. pbb is acting as sole lender and hedge provider for this facility. The shopping centre comprises a net lettable area of 28,485 square metres and opened in 2010.

ACQUISITION OF CROSS-COUNTRY OFFICE PORTFOLIO IN POLAND

Octava Fizan executed a final purchase agreement for the acquisition of an office portfolio of six assets in five major Polish cities. The properties are located in Warsaw (FDS Plaza and Light House), Wrocław (Quattro Forum), Poznań (Winogrady Business Center), Łódź (Red Tower) and Tri-City (Alfa Plaza), totalling approximately 48,300 square metres of gross leasing area. The portfolio was selectively carved out from a larger platform, the Arka BZ WVBK Property Market Fund, the first closed-end commercial real estate fund established in Poland in 2004.

REFINANCING FACILITY FOR P3'S CEE LOGISTICS PORTFOLIO

pbb Deutsche Pfandbriefbank and UniCredit Bank Austria AG have jointly underwritten a EUR 215 million senior facility to refinance Point Park Properties' (P3's) existing logistics portfolio in the Czech Republic, Slovakia and Poland. pbb is acting as facility and security agent of this transaction, with the underwriting of the facility being jointly provided by pbb and UniCredit Bank Austria AG as mandated lead arrangers. Unicredit Bank Czech Republic and Slovakia, a.s. is acting as hedge provider.

The portfolio consists of five modern logistics parks, located in two prime logistic locations in Prague, one outside of Bratislava, and two logistic hubs in Mszczonów near Warsaw and Poznań. The total warehouse space exceeds 550,000 square metres and is almost fully leased. The portfolio also comprises a substantial land bank in these locations for further development of additional warehouse and distribution space.

For more than 35 years now TAURUS has maintained its leading position as trusted partner for high net-worth individuals and family offices.

Our focus: Real value creation and global diversification via entrepreneurial club deals.

Thereby it's our local presences in 15 markets across four continents that guarantee the closeness an investment abroad deserves.



**A history of
Trust, Reliability and Results.**



A private international investor has acquired from Warimpex Hotel Savoy in Prague. The hotel was the first one Warimpex has owned and opened in Prague.

WARIMPEX SELLS HOTEL SAVOY IN PRAGUE

Warimpex Finanz- und Beteiligungs AG has announced the sale of its Hotel Savoy in Prague to a private international investor. The parties agreed not to disclose any information on the purchase price.

The Hotel Savoy was opened in 1994, the first of Warimpex's own hotels in Prague. The boutique hotel has a total of 61 rooms (55 rooms and 6 suites) and 2 conference rooms. It is located in the heart of Prague's diplomatic quarter.

CTP BREAKS GROUND FOR RETAIL PARK IN BRNO

CTP launched the development of a retail park in Brno. The development site is located on the Brno—Bratislava highway, directly across from the established Olympia shopping centre. The project is planned for sports, grocers, furniture, DIY as well as food service retailers which will complement the nearby shopping centre.

The 26-hectare site offers 70,000 square metres of lettable space, of which 25,000 square metres is already secured. Construction began in June for sports retailer, Decathlon, with expected completion in late October this year.

COLLIERS AND S IMMO JOIN FORCES IN HUNGARY

Colliers International Hungary has won two additional exclusive mandates from the S Immo Hungary portfolio: Podium, the fully vacant office building, comprising 5,700 square metres of office space in the heart of the 6th district; and Blue Cube, a recently refurbished office building on the Váci-ut corridor.

ECHO INVESTMENT BUYS THE FORMER WARSAW BREWERY

Echo Investment purchased from the Spanish Banco Financiero y De Ahorros, S.A. a plot of approximately 4.4 hectares located in the centre of Warsaw, between Grzybowska, Wronia, Chłodna and Krochmalna streets, the area of the former Warsaw Brewery. The value of transaction is EUR 42 million. It was financed with the Capital Group's own capital.

On the purchased land Echo Investment plans to complete in the time frame of 5 to 7 years, development projects with the estimated total area of 100,000 square metres. In accordance with the Local Spatial Development Plan for the area the company will develop an office complex with an additional residential part.



Olympian Park Timisoara is currently comprising some 27,000 square metres of industrial space and will be expanded by further 20,000 square metres.

HELIOS PHOENIX EXPANDS OLYMPIAN PARKS IN ROMANIA

Helios Phoenix, the sole owner of the Olympian Parks industrial portfolio, announces the plan to extend both locations in Brasov and Timisoara with over 20,000 square metres. The industrial portfolio with an existing total area of 45,000 square metres, owned initially by GE Capital Real Estate together with Helios Phoenix, was transferred last year in full ownership of the Helios Phoenix group, following GE Real Estate's decision to withdraw from Eastern Europe. Colliers International is the property manager for the two logistic parks, having won the mandate in the second half of 2011.

Olympian Park Brasov offers 17,880 square metres of storage spaces and it is fully occupied. The 27,280 square metre project developed in Timisoara also reached a 100 percent occupancy.

Following the demand of existing tenants, Helios Phoenix decided to extend the Timisoara park with a 20,000 square metres built-to-suit unit and intends to also extend the industrial park in Brasov with approximately 5,000 square metres. The extension in Timisoara has already started and construction works will be finalized in Q2 2015.

IMMOCHAN'S CORESI SC IN BRASOV TO OPEN IN 2015

Real estate developer Immochan has invested EUR35 million so far into its Coresi Shopping Resort in Brasov, in Central Romania, and the project is 60 percent completed. The total budget for the project is around EUR 60 million. Work is scheduled to end in the first quarter of 2015 when the shopping centre should open.

The project will feature a 1,500 square metre entertainment area, a 3,500 square metre food court, and a 3,200 square metre cinema with 8 digital screens. Coresi will also include an area for local artisans. An Auchan hypermarket on some 13,300 square metre and a 32,000 square metre retail galleria will also be part of the project. The developer has already leased 70 percent of the shopping centre.

Immochan Romania is currently developing Coresi Brasov and a retail centre in Drumul Taberei in Bucharest, totalling some EUR 120 million in investments.

PANATTONI IS DEVELOPING BUILDING FIVE AT PANATTONI PARK ŁÓDŹ EAST

Panattoni Europe is now developing Building 5 at Panattoni Park Łódź East. The new facility will offer 24,000 square metres, of which 16,200 square metres has already been taken up. The first tenants are BSH Sprzet Gospodarstwa Domowego sp. z o.o., which has leased approximately 11,000 square metres, and GEFCO Polska with 5,500 square metres. Once fully built-out, Panattoni Park Łódź East will comprise as much as 187,000 square metres.



We often go the extra mile. Like to Hanover.

Sharing the rewards of investment excellence.

It doesn't always have to be Hamburg, Frankfurt or Munich! If you're prepared to go the extra mile and can handle local markets, regional centres offer compelling opportunities. The new Kröpcke Centre on Hanover's main shopping street is proof that taking a detour to smaller cities with stable economic structures can often be the fast track to success. We saw the potential of this location long before the property was extensively refurbished, with positive demographic trends and excellent long-term prospects confirming our assessment. We enjoy going that little bit further. In Hanover and elsewhere.

Find out more at <http://www.union-investment.com/realestate>



Volksbanken Raiffeisenbanken
cooperative financial group



Stand B2.142



Green House office project in Budapest has a new owner: The Hungarian open-ended property fund Torony Real Estate Investment Fund has acquired the complex from Skanska.

SKANSKA SELLS GREEN HOUSE OFFICE PROJECT IN BUDAPEST

Skanska sells Green House office building in Budapest, Hungary, to the Hungarian open-ended property fund Torony Real Estate Investment Fund managed by Diófa Fund Management, a member of FHB Group. The value of the transaction is EUR 36 million. The transfer of the property is scheduled for the third quarter of 2014.

Green House is Skanska's sixth office development in Budapest. The building is situated in the centre of Budapest and offers 17,800 square meters of leasable office space. Green House was completed in December 2012 and currently up to 95 percent of the building is leased.

ECHO INVESTMENT TO START APARTMENT COMPLEX IN KRAKOW

Echo Investment will soon start the construction of a new luxury apartment complex in Kraków. The project will be located in Stare Debniki, near the Main Market Square and it will provide a view onto the Wawel Royal Castle. The project will include a total of 53 apartments in seven small, three-storey buildings—each of them will include between 5 and 11 apartments with areas ranging from 70 to 200 square metres—and two underground car parks.

PROLOGIS BUYS TWO LOGISTICS HALLS FROM INVESCO

Prologis has acquired two logistics facilities in Poland and Hungary from Invesco Real Estate through its Prologis European Properties Fund II (PEPF II). The properties are completely leased and include a 56,700 square metre building in the Polish city of Gliwice, originally developed for sole tenant Tesco by Panattoni Europe, and a 37,500 square metre building in the Hungarian capital Budapest, occupied by Auchan. Financial details of the transaction have not been disclosed. Colliers International represented the seller during this transaction.

STRABAG CONSTRUCTS STEEL PLANT IN RUSSIA

Publicly listed construction group Strabag SE has been contracted by Russia's Tula-Steel Company to build a steel production and rolling mill in Tula, some 200 kilometres south of Moscow. The industrial complex will be constructed in close vicinity to Tulachermet's existing iron mill. The contract value is EUR 300 million. Construction of the project will begin in autumn 2014 and is expected to be completed within 36 months. The steel plant will be designed for an annual production capacity of 1.5 million tons of refined steel, steel rods and wire.

Your most important networking partner: **EXPO REAL**

The right location, the right finance and the right partners—whatever you are looking for, EXPO REAL is the place to find it. 38,000 property professionals will be gathering together in Munich for this top event. Fast-forward your projects, by talking to the exhibitors and making the most of the trade forums and many networking opportunities at this show.

Book your ticket now:

www.exporeal.net/tickets



Where all threads come together

17th International Trade Fair for Property and Investment

October 6–8, 2014 | Messe München | Germany

www.exporeal.net

Find out more – and
get connected:
blog.exporeal.net



**expo
real**

Building networks

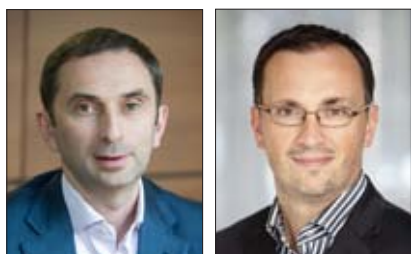
STAFFING



left: Louise Brooke-Smith
right: James Dilworth

Louise Brooke-Smith became new RICS President. In this function she is following Michael Newey. Louise Brooke-Smith is an urban land economist and town planner, with experience in land use planning policy and the development industry in the UK and overseas.

James Dilworth has been appointed Head of Active Asset Management at Deutsche Asset & Wealth Management (DeAWM). He will also join the DeAWM Executive Committee. James Dilworth will become CEO of Deutsche Asset & Wealth Management Investment GmbH, subject to regulatory approval. James Dilworth joins from Allianz Global Investors, where he was Chief Executive Officer first for Germany, then for Europe and Member of the Global Executive Committee.



left: Sergey Gipsh
right: Josip Kardun

Sergey Gipsh, Partner and Regional Director of Retail Real Estate in Knight Frank Russia & CIS, was appointed Managing Partner of the Moscow office effective September 1, 2014. Sergey Gipsh replaces Kyrill Starodoubtsev, Founder and largest private shareholder of Knight Frank Moscow. Sergey Gipsh joined Knight Frank in 2011 as a Partner heading the Retail Property Division of the company's business in Russia and the CIS. Prior to that, he was Managing Director of Colliers International.

Josip Kardun will succeed Rachel Lavine as CEO of Atrium European Real Estate. Rachel Lavine will assume the role of Executive Vice Chairman as of November 30, 2014 and remain a director of Atrium. Josip Kardun is the Atrium group's current Chief Operating Officer and Deputy Chief Executive Officer, a position he has held since February 2014. Prior to joining the Atrium group, Josip Kardun was with European retail property specialists ECE where he 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.



left: Thomas Kurzmann
right: Piotr Mirowski

Thomas Kurzmann has been appointed new CEO of CEE developer Globe Trade Centre. He will replace incumbent CEO Alain Ickovics. Thomas Kurzmann, an Austrian native, is a commercial real estate expert with a managerial record in Central and Eastern Europe. Since 1986, he has spearheaded key projects and strategic shifts in real estate companies, most recently as the CEO of Europolis, and Head of Real Estate Corporate Business at Austrian Volksbank.

Piotr Mirowski has been appointed Partner at Colliers International in Poland. Piotr Mirowski holds the position of the Director at the Investment Services Department in Poland. He joined Colliers International in 2006 as an analyst in the CEE Investment Services Department.



left: Rupert Simoner
right: Logan Smith

Rupert Simoner, most recently Senior Vice President of Kempinski Europe and as General Manager at the Kempinski Grand Hotel des Bains St. Moritz, has been appointed as the new CEO of Vienna International Hotels & Resorts (VI). Rupert Simoner has vast experience in the tourism and hospitality sector. Having worked at Kempinski since 1995, the Austrian has represented the Kempinski hotel group throughout Asia, Africa and Europe.

Logan Smith has been appointed CIO at PointPark Properties (P3). Logan Smith joins P3 from Prologis, where he was the Head of European Acquisitions & Dispositions. Logan Smith has 16 years' experience in logistics real estate in Europe and North America.



LETTINGS

CTPARK OSTRAVA

CZECH REPUBLIC 

CTP has signed agreements with Gebrüder Weiss, ABB and XLMX signed for extensions totalling 7,838 square metres at CTPark Ostrava.

CTPARK PARDUBICE

CZECH REPUBLIC 

At CTPark Pardubice, Global Logistics Solutions signed for an extension totalling over 4,000 square metres..

EUROCENTRUM OFFICE COMPLEX, WARSAW

POLAND 

Capital Park has signed a 1,000 square metre lease agreement with the Office Bistro Group that will open a restaurant in Eurocentrum Office Complex in Warsaw. Also, a Veturilo bike rental station, wholly financed by the Capital Park Group, will be installed in front of the building. Eurocentrum Office Complex is a fifteen-storey office building offering 69,578 square metres of leasable space, including 67,005 square metres of office space and 2,181 square metres for a service and restaurant offer.

HORIZON PLAZA, WARSAW

POLAND 

EPCD, the exclusive distributor of the Dior brand in Poland and Coriant Poland, provider of solutions for mobile operators, have become Horizon Plaza tenants. The companies have leased a total of 1,000 square metres of office space, both signing long-term agreements. Knight Frank represented the owner of the building, Union Investment Real Estate, during negotiations. EPCD was represented by JLL and Coriant Poland by Colliers International. Horizon Plaza is a modern office complex in Mokotów, offering 35,000 square metres of office space and a car park for up to 600 cars.

PRIME CORPORATE CENTER, WARSAW

POLAND 

Developer Golub GetHouse together with Raiffeisen Polbank finalized a lease agreement in Prime Corporate Center building, currently under development at Grzybowska Street in Warsaw. Raiffeisen Polbank leased 19,500 square metres of office space with an additional retail-services space. During the transaction Golub GetHouse has been advised by Savills and Clifford Chance law firm. Raiffeisen Polbank has been represented by Colliers International advisors and Baker & McKenzie law firm.

ROYAL WILANÓW, WARSAW

POLAND 

Capital Park Group and Nike's authorised representative have signed a lease agreement for 426 square metres of retail space in Royal Wilanów—this will be the brand's largest monobrand store in Poland. Royal Wilanów, located on the corner of Klimczaka and Przyczółkowa Streets in Warsaw, will open in August 2015. Royal Wilanów will be a five-storey building offering 29,787 square metres of modern office space and a three-level underground car park with 915 parking lots. The building will also include a retail/service section (6,920 square metres).

GATE ONE BUSINESS PARK, WARSAW**POLAND** 

P4, one of the leading mobile operators in Poland, has become a new tenant of Gate One Business Park in Warsaw, where it will take up nearly 3,250 square metres of warehouse and office space. P4 was represented in this deal by Cushman & Wakefield. Gate One Business Park is a modern warehouse and office facility in Działkowa Street in Warsaw and provides 18,780 square metres of gross leasable space, including 15,270 square metres of warehouse space on the ground floor and 3,510 square metres of office space on the mezzanine level. The complex is owned by Raiffeisen Immobilien Kapitalanlage-Gesellschaft m.b.H.

OLIVIA BUSINESS CENTRE, GDANSK**POLAND** 

Schibsted Tech Polska, part of Schibsted Media Group, has leased 380 square metres of office space in Olivia Four building (Olivia Business Centre office complex) in Gdansk. JLL represented the tenant during the negotiations of contract terms. Olivia Four is an 11-storey building offering 14,700 square metres of office space. It is the fourth phase of the Olivia Business Centre office complex. So far, the projects completed in this investment are Olivia Gate, Olivia Point & Olivia Tower, and the aforementioned Olivia Four.

GALERIA SUDECKA, JELENIA GÓRA**POLAND** 

In Galeria Sudecka an Apart jewellery shop will occupy an area of 85 square metres and an Ochnik shop which offers clothing and leather accessories will have an area of 90 square metres.

ALMA TOWER, KRAKOW**POLAND** 

Onet.pl Group, owner of the largest Polish web portal, has leased 5,400 square metres in Alma Tower in Kraków, leaving the 10,700 square metre office building fully leased. Knight Frank represented the landlord of the building, UBM Poland, during the commercialization.

ORANGE OFFICE PARK, KRAKOW**POLAND** 

Brown Brothers Harriman (BBH) has signed a lease for more than 2,000 square metres of additional office space in Orange Office Park in Krakow. The space which is being developed by East-West Development Office, will bring BBH's total leased space to more than 6,800 square metres. Cushman & Wakefield represented the tenant in the negotiations. Fisheye, the Krakow based real estate broker and consultancy company, represented the developer.

FACTORY OUTLET CENTER, KRAKOW**POLAND** 

Colliers International has secured a tenant for the Factory outlet centre in Kraków. The footwear store Kulig has taken close to 132 square metres of space. Colliers represented the owner of the project—Neinver.

GREEN HORIZON, ŁÓDŹ**POLAND** 

PKO Bank Polski leased offices in building B of Green Horizon office complex developed by Skanska in Łódź. PKO Bank Polski will occupy over 2,000 square metres.

ANDERSIA BUSINESS CENTRE, POZNAN**POLAND** 

Zabka Polska has leased nearly 4,500 square metres of office space in the Poznań Andersia Business Centre owned by the Von der Heyden Group. The tenant was represented by Colliers International. Zabka will be the largest tenant of the Andersia complex, which has 11,000 square metres gross leasing area of office space.

DOMINIKANSKI OFFICE COMPLEX, WROCLAW**POLAND** 


PKO Bank Polski leased 1,100 square metres of services space in building A of Dominikanski office complex in the centre of Wrocław (500 square metres on the building's ground floor and 600 square metres on the first floor). Developer of Dominikanski office complex is Skanska.

HERMES BUSINESS CAMPUS, BUCHAREST**ROMANIA** 

Romanian International Bank, recently acquired by Getin Holding, leased 3,500 square metres in Hermes Business Campus in Bucharest for their future headquarters. Hermes Business Campus, developed by the Belgian company Atenor on the Dimitrie Pompei Boulevard, comprises three office buildings with a total gross leasing area of 78,000 square metres. The project is developed in several consecutive phases, with the first building delivered in April 2014.

NOVO PARK, BUCHAREST**ROMANIA** 

Starbucks will open a 200 square metre facility in Novo Park, the office park developed by Genesis Development in Northern Bucharest. The leasing transaction was assisted by Colliers International.

METROPOLIS MALL, MOSCOW**RUSSIA** 

Silk & Cashmere leased 61.6 square metres in Metropolis Mall in Moscow for its first direct store in Russia. JLL exclusively advised on the deal. Metropolis Mall is located on Leningradskoe Highway, near the Voykovskaya metro station, in the North-West district of Moscow. The scheme's gross leasing area is 82,000 square metres.

DELL BUSINESS CENTER, BRATISLAVA**SLOVAKIA** 

The computer company Dell has signed a new lease with SEB Asset Management for a total of around 19,800 square metres of space in the city centre office building on Fazulová street. The lease runs until the middle of 2020. Dell has been using the centrally located building as a business centre since 2007. The property is part of the portfolio belonging to the open-ended real estate fund SEB ImmoInvest.

EUROPEUM, BRATISLAVA

SLOVAKIA 

SEB Asset Management signed four new leases and three lease extensions for a total of 2,940 square metres of space in Europeum on Suché Mýto street, just a few meters from the Presidential Palace and the old town of Bratislava. The building, which was constructed in 2004, belongs to SEB ImmoPortfolio Target Return Fund's property portfolio.

FORUM LVIV, LVIV

UKRAINE 

DTZ has secured a new tenant in Forum Lviv Shopping and Entertainment Centre: Lacoste. The store in Forum Lviv will become the 1st store of the brand in Western region of Ukraine. Forum Lviv has 35,000 square metres of gross leasing area, and is developed by Multi Development Ukraine, together with its partners Galereja Centr and Bud House Group.

RIVIERA SHOPPING CITY, ODESSA

UKRAINE 

Turkish fashion retailer LC Waikiki has signed a lease for 1,190 square metres of retail space in Riviera Shopping city in Odessa. The opening is planned for late September 2014. DTZ has been acting as exclusive leasing agents.

CONGRESS REISEN FRÖHLICH



Messe/Fair

Stadt/Town

Datum/Date

Messe/Fair	Stadt/Town	Datum/Date
M I P I M	C A N N E S	1 0 0 3 - 1 3 0 3 2 0 1 5
2 0 1 5		

DOMINATING TOPICS AND EXPECTATIONS FOR EXPO REAL

It is only some weeks to the opening of Expo Real, the biggest European exhibition for commercial real estate and investments. Currently for the property industry market fundamentals are more favourable than ever. But will the boom in the real estate investment markets last? We have asked market participants for their expectations and estimations.

From this year's Expo Real in Munich I do expect ...

... that the business climate is continuing to be positive, that we will be successful again to make good deals, and that demand for our investment products is as high as appetite for Dutch 'Bitterballen' and the thirst for Dutch beer we are also offering at our booth.

Martin Eberhardt

... to be able again to bring home with me a lot of business contacts offering new opportunities and perspectives for the future.

Dr. Bruno Ettenauer

... the presence of numerous decision makers of the real estate industry to enable professional and personal conversations on all levels. For this exchange of information and experiences the most important European property fair is a guarantor.

Jürgen Fenk

... to be able to explain why Russia is still an interesting opportunity.

Timothy Fenwick

... that instead of marketing and profiling presentations fascinating national and international case studies and scientifically based lectures are dominating.

Lorenz Reibling



*Martin Eberhardt
Managing Director, Bouwfonds
Investment Management GmbH
Germany, and Chairman of
RICS Germany,
Berlin, Germany*



*Dr. Bruno Ettenauer
Chairman of the Board and CEO,
CA Immobilien Anlagen AG,
Vienna, Austria*

... that the fair will be again a central point for meetings with our clients and a platform for talks with representatives of the entire value-added chain in the sector.

Dr. Bernhard Scholz

... a full meeting agenda, good conversations with leading industry participants, colleagues and friends, a sore throat and aching feet.

Dr. Matthias Thomas

... to have many appointments in short time.

Dr. Eduard Zehetner

To my mind currently the main topic(s) on real estate industry's agenda is (are) ...

... how to generate yields in a low interest environment; which ways have to be chosen to handle the risk of devalu-

ation in case of a change towards higher interest rates, a change that will inevitably come. In former times investors were in search of risk-free returns; today we have learned that there are many investments with a return-free risk.

Martin Eberhardt

... the energy transition and changing requirements by users.

Dr. Bruno Ettenauer

... investments: who is investing where in what; the impact of demographic changes on the residential markets; and the impact of e-commerce on the property industry.

Jürgen Fenk

... the future of interest rates.

Timothy Fenwick

... creative redevelopment of existing properties, energy management and



*Jürgen Fenk
Member of the Board, Helaba
Landesbank Hessen-Thüringen,
Frankfurt am Main, Germany*



*Timothy Fenwick
Managing Director, Quantum Potes,
Moscow, Russia*



*Lorenz Reibling
Chairman and Founding Partner,
Taurus Investment Holdings, LLC
Boston, Massachusetts, USA*

those topics that are about 'interaction' between space and user.

Lorenz Reibling

... the current great success of real estate as an asset class; the end of times when the focus is only on prime property; the continuing low interest environment; the market entry of new financing institutions as partners of banks.

Dr. Bernhard Scholz

... the impact of the current geopolitical situation as well as the continuous flow of capital into real estate and its subsequent effect on pricing, mainly for prime assets.

Dr. Matthias Thomas

... market consolidation. It has already started in the German residential market some quarters ago. Regarding the retail sector in Western Europe recently Klépierre and Corio have announced plans for a merger. I expect that market consolidation will continue also in the commercial real estate sector in Central and Eastern Europe.

Dr. Eduard Zehetner

Despite worldwide political and economic turbulences, 2013 has been a quite successful year for the real estate industry. The question is, if 2014 will be just successful as well or even better. Reflecting about how long the run of good luck will last I think ...

... we can continue to be optimistic. Especially the German real estate markets and the German property industry is solid as a rock. But in general the potential risks are increasing. Especially the political and economic environment within the European Union and beyond could cause unpleasant surprise.

Martin Eberhardt

... every individual has to contribute to the sustainable success of a real estate company. A trend can support success, but its ability to compensate mistakes is limited.

Dr. Bruno Ettenauer

... that on the one hand the real estate boom has already reached a certain stage of maturation. On the other hand I observe continuing high liquidity in the financial markets, very low interest rates and a lack of investment alternatives. So there are no reasons why the positive development of the real estate markets should come to an end in short term.

Jürgen Fenk

... for western Europe it is not a question of luck, but keeping supply and demand in balance. In Russia it is getting the right political message across.

Timothy Fenwick

... it will not last for too long. So far the disregard of many rules determining a solid and sustainable market has been without sanctions. But as the proverb says: the mills of God grind slowly, but surely. Sooner or later gamblers and nutty people will take the way of all dreamers—in the ditch. Thereby a lot of money will be destroyed, or better said: it will be shifted.

Lorenz Reibling

... we will still remain on the high level for some years. The real estate markets and especially the investment markets are driven by the low interest environment.

Dr. Bernhard Scholz

... the current state of markets will not last forever. 2014 for sure will be a year close to pre global financial crisis levels, but as economic growth still needs support from monetary policy this situation might not continue for more than another two to four years.

Dr. Matthias Thomas

... the spirits of the real estate industry in Central and Eastern Europe is currently curbed by the Ukraine crisis. However, on the transaction market we observe an increasing interest in Eastern European property investments. Furthermore ECB's decision that the interest rate on the main refinancing operations will remain unchanged has been a positive signal for the property investment markets. There is no end of the expansive monetary policy



*left: Dr. Bernhard Scholz
Member of the Board,
pbb Deutsche Pfandbriefbank AG
and Hypo Real Estate Holding AG,
Munich, Germany*

*right: Dr. Matthias Thomas
CEO, INREV,
Amsterdam, The Netherlands*

in sight. However, for the leasing business we would like to have some tail wind by more economic growth.

Dr. Eduard Zehetner

Sometimes company strategies are changing in very short periods of time. We have kept/changed our strategy, because ...

We have kept our strategy, because our concept has proved itself. Based on experts' advice we focus on niches with an attractive risk-return profile. Besides concentrating on multi-storey car parks, student housing, communication infrastructure and farm land we are still convinced that with commercial property and especially with shopping centres the manage-to-core approach is productive.

Martin Eberhardt

We have kept our strategy, because strategies are long-term developed and have to be followed to bear fruit.

Dr. Bruno Ettenauer

Helaba's fundamental strategy does not change. However, it is a matter of course that within a certain reasonable range we develop in the one or the other direction. Giving not an inch is always counterproductive.

Jürgen Fenk

We did not change our strategy because the long term fundamentals are unchanged.

Timothy Fenwick

We have changed it, because the so-called 'core' properties and even many of the 'core plus' products are priced too high. Only intelligent measures to add value and partly very complex operational interventions are able to create real value. There are only a few able to do this, for many it is too much work. Today abundant capital alone is no guarantee for an investment success. There is too much dump and badly advised capital spilling all over the world. It is a pity, especially when the sources of capital are pensions funds or sovereign wealth funds. For this money many people have worked by the sweat of their brows.

Lorenz Reibling

We continue to follow our successful strategy. With new locations in Germany and abroad and enlarged teams pbb is more and more penetrating the markets.

Dr. Bernhard Scholz

We have kept our strategy, because it's the right thing for the non-listed real estate industry and for us to continue to strive for a shared, consistent level of transparency, professionalism and best practice across Europe and into Asia and the United States. This will strengthen the non-listed real estate industry all over the globe and with that support, the flow of capital into the sector.

Dr. Matthias Thomas

No, ImmoFinanz' strategy did not change, but by the spin-off of our residential subsidiary Buwog we have sharpened our portfolio profile significantly. With our

business model of a 'real estate machine' we now focus completely on commercial property mainly in Central and Eastern Europe including Russia. As the biggest listed company we are one of the leading real estate players in the CEE region.

Dr. Eduard Zehetner

Looking at geographical markets and market segments to my mind most promising in the medium and long term will be ...

... 'classical' Western Europe with Germany, France and the Benelux countries, complemented by the Nordic countries, Poland, the Czech Republic and United Kingdom. Furthermore it is worth again to prove opportunities in Spain and Ireland. It has been Eastern and South-Eastern Europe's turn to be considered more intensely, but the region's increasing political and economic risks are impeding it. With market segments we continue to see good opportunities in residential real estate and shopping centres, but as well in smaller segments as student housing and multi-storey car parks.

Martin Eberhardt

... the German market and our large urban developments there that are still offering a lot of potential. And for sure the Central and Eastern European region will return into the focus.

Dr. Bruno Ettenauer

... the traditional target markets of Helaba in Europe and the United States and that

we keep our conservative way of lending. By this strategy we got through the recent financial and economic crisis safe and sound and we will also manage future challenges.

Jürgen Fenk

... the Russian regional retail and logistics markets.

Timothy Fenwick

... a few developing countries with certain fundamentals including geographical location, demographical development, legal system, transparency, size of the country, economic development, importance for trade channels or military strategies, educational system, the development of social media, and the participation of women in politics, business and the educational system. For me personally the last named characteristic is the most important parameter. Given these pre-conditions which countries and markets are remaining? That is our secret!

Lorenz Reibling

... the different markets and segments we are observing and active in, but don't want to reveal.

Dr. Bernhard Scholz

...the beauty of real estate as an asset class is that with the right approach it will always be possible to find hidden gems across the entire risk-return profile.

Dr. Matthias Thomas

... Central and Eastern Europe including Russia, i.e. the core markets of Immofinanz Group. Despite the fact that Eastern Europe in general does not show the economic growth we would like to see and we would need as tail wind for our leasing activities the following facts cannot be argued away: besides relatively sound national budgets in these countries the desire to catch up with Western Europe will remain an important driver of growth. Exports mainly to Western Europe and the increasing domestic demand are supporting the positive development of the Eastern countries.

Dr. Eduard Zehetner

Regarding topics and meetings at this year's Expo Real I am mostly interested in ...

... the reaction of the market regarding increasing prices and a narrowing offer of 'good' investment products. Will we see again a 'herding behaviour' as during the last exaggerations of the market?

Martin Eberhardt

... personal talks and exchange of experiences with property industry players; in making new contacts with decision makers offering new opportunities and cooperation possibilities.

Dr. Bruno Ettenauer

...the fact that all real estate people come together in Munich. At Expo Real I can refresh existing contacts, extend my business network and pursue concrete business ideas. What I am especially interested in and what is so exciting with the fair are the personal talks and meetings.

Jürgen Fenk

... meeting new investors from the Middle and Far East.

Timothy Fenwick

...meeting interesting people with wits, young people with fire in the belly and great ambitions, to urge them as well as brave women who want to professionalise the industry; learning more about software and operating systems able to relieve the Taurus team still more of monotonous works thereby releasing potentials and opening new perspectives. Real estate companies not willing to become 'software companies' will become extinct during the next ten years!

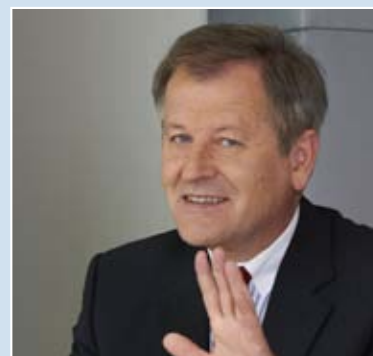
Lorenz Reibling

... a look at the markets and at the future of real estate financing.

Dr. Bernhard Scholz

... having conversations with non-European investors on how European non-listed real estate vehicles can fit in their real estate investment strategy.

Dr. Matthias Thomas



*Dr. Eduard Zehetner
CEO, Immofinanz Group,
Vienna, Austria*

... the opportunity to have many professional talks, to present our projects and to get a concise picture of trends and the disposition of the industry.

Dr. Eduard Zehetner

The opening session in the Expo Real Forum is headlined: "When will interest rates rise?" If it really comes to an end with the low interest rates for the real estate business that would mean ...

... that real estate will have to compete again with other asset classes. And probable there will be a value adjustment for many locations and sectors. It is difficult to forecast the impact of an interest turnaround on the real estate industry because this turnaround will be caused by so far unforeseeable changes in market fundamentals. Despite all risks these changes can also have positive effects and cause e.g. rental increase because economy is recovering and inflation modestly accelerating.

Martin Eberhardt

... rather tumultuous times for the real estate industry.

Dr. Bruno Ettenauer

... not the end of the world for the property industry. Starting with a turnaround in

the US and UK interest rates will increase very slowly and from very low levels. Therefore market participants should have sufficient time to adapt to the new 'normal' of the interest environment.

Jürgen Fenk

... coming full circle, when I started work interest rates were consistently above cap rates, but inflation was also high, so capital appreciation was much shorter term.

Timothy Fenwick

... coming down to earth. Depending on the former operating altitude we will be more or less damaged or totally smashed. It would mean no longer to dream and to suggest ourselves that our humble self could have any influence on the forces of the real estate market. Interest rates are like falling and rising tide: not really to dominate. Therefore it would be wise to start to prepare oneself and to move into higher regions. The 'interest tsunami' will come for sure, and this time most probably in the form of a perfect storm. Although we do not know when the interest turnaround will come, its arrival is as sure as death, and when the big wave is arriving one should not be on the beach in bathing costume only or completely bare. That means to downsize the leverage and to augment the equity ratio. Away with greedy speculative money! Despite all temptations by the current very attractive interest environment. Once more sanity and reason are more important than faked excel spreadsheets, promising the heaven and earth and giving a picture of the future in bright colours.

Lorenz Reibling

... a significant change in the property markets. Mainly in the core segment there will be put pressure on prices. As financing institute we already prepare ourselves for this situation.

Dr. Bernhard Scholz

... repricing and with that new opportunities.

Dr. Matthias Thomas

WHEN IT COMES TO YOUR OFFICE, HOW AMBITIOUS ARE YOU?



WIEN NORD

Many factors make the critical difference in the quality of workplaces and company sites. That's why CA Immo provides office environments that underpin your company's aspirations to leadership. As a specialist in office properties in the big cities of Europe, we set the standard.



CA IMMO

**URBAN
BENCHMARKS.**

For more information, please visit www.caimmo.com

CZECH REPUBLIC: ALL THAT GLITTERS IS NOT GOLD



Prague is often characterised as 'Golden City'. However, on the real estate markets all that glitters is not gold.

The Czech Republic is one of the most advanced countries in CEE regarding political and economic transition. Another fact in favour of the country—at least in the eyes of Western investors—is the cultural and mental vicinity not only to Austria but also to Central and Western Europe. Therefore the Czech Republic is a very popular investment destination. However, a closer look at the markets is essential.

"There is no doubt that the Czech Republic is one of the most successful countries in CEE in terms of attracting foreign direct investments", has written Tomas Duda, CEO of Professionals s.r.o., an Alliance Member of BNP Paribas Real Estate, in the most recent BNP Paribas Real Estate Guide to Investing in Czech Republic 2014. This statement is confirmed by an up-to-date survey of the German Chamber of Industry

and Commerce Abroad in 16 CEE/SEE countries. In this survey the Czech Republic is mentioned in second place—directly following Poland—as one of the most attractive investment locations in CEE. The reasons for the country's attractiveness are obvious: The Czech Republic is one of the most advanced countries on its way from the centrally planned economy to market economy; the country is showing political and economic stability; and it is culturally and mentally a Central European country thereby facilitating business for many Western investors and entrepreneurs.

In the most recent past the Czech Republic has not been spared by the general economic difficulties in Europe. Since 2011 the country has experienced an economic slump. Not earlier than at the end of 2013 economic growth returned and will be at a rate of 2.7 percent in 2014.

According to forecasts of the Czech Ministry of Finance, in the following years growth rates will stabilise at 2.2 and 2.5 percent. The optimism, however, is currently a bit dimmed by the EU sanctions on Russia, even though Russia's share in the Czech foreign trade is small—it is only 3.7 percent of the total volume of exports. But more than 80 percent of all Czech exports are going into EU countries, and if the sanctions will have a negative impact on the EU economy in general the growth in the Czech Republic will also slow down again.

With the economic recovery in 2013 investments in commercial real estate started to increase again. According to CBRE, the total volume of investment transactions in the first half of 2014 reached EUR 673 million. EUR 386 million have been allotted to office property, and EUR 108

million to mixed-use assets; retail amounted to EUR 77 million, hotels to EUR 65 million and industrial to EUR 37 million.

Although foreign investors accounted for two third of overall purchases during the first half of 2014, domestic buyers are on the rise. In terms of profile of investors the most active were private investors with a 30-percent share of total investment volume, with some distance followed by insurance companies with a 15-percent share.

Investor's main focus is on office property and in terms of location Prague is the favourite with its meanwhile nearly 3 million square metres of modern office stock. Investor's preference is a bit surprising because office market fundamentals are not really promising. Vacancies are continuously increasing and are meanwhile at nearly 15 percent. It is true that there are great differences between the districts: in some locations vacancy rates amount up to 20 and nearly 30 percent, in other districts, however, they are clearly below 10 percent. The great differences are mainly due to the fact that in some districts supply has been increased substantially by the completion of new developments. But there is also to observe that certain districts and parts of the city have established as office locations while others have become marginalised. And a certain part of the vacancies is due to the structure of the office stock because especially buildings completed in times shortly after the fall of the Iron Curtain, but still named 'modern office buildings', show the burden of the years and have difficulties to find tenants.

"At first glance it seems that Prague does not need additional office buildings. A lot of new space is entering the market and cannot be absorbed completely. Thereby for us as developers competition is increasing", Dr. Eduard Zehetner, CEO of Immofinanz Group, describes the situation on the Prague office market. "However", he continues, "a closer look is necessary because the vacancies are depending from type and age of building. Tenants are in the comfortable situation of a great variety of offers. They can change from

elder B-office buildings into class A offices and save some money at the same time. In general new modern office space tend to find its users. As a developer you have to be sure to have an absolutely proper project in a sought-after location. Only then you will be successful." Immofinanz

than in the same period last year. A total of nearly 82,000 square metres were newly leased or expanded during this time.

And still new office developments in Prague are launched. Approximately 284,000 square metres of office space are currently



The urban development Quadrio of Czech GPI Group in Prague

anz Group has just completed the new development Jindřišská 16; the office refurbishment Jungmannova is scheduled to be completed at the end of this year or latest in the beginning of 2015. For both, Jindřišská 16 and Jungmannova Immofinanz is in negotiations with potential tenants. In the third development, Na Prikope, White&Case as anchor tenant has moved into the office space in May; for the retail area Immofinanz is preparing suitable concepts for potential tenants.

However, the high vacancy rates put pressure on the rents. Rent-free periods with new leases or lease extensions are common practice. And as lease agreements are comparatively short-term—in general three to five years—there is some movement in the office market, but often tenants are only relocating or existing rental agreements have to be renegotiated.

According to DTZ, in the first half of 2014 in Prague some 129,000 square metres of office space were leased, 22 percent less

under construction or in the stage of refurbishment. Additionally, 57,000 square metres are on hold because developers are awaiting the necessary pre-leases to start construction. According to DTZ, nearly 103,000 square metres of office space is under construction with planned completion in the second half of the year. Thus in 2014 a total of 180,000 square metres of office space should be completed in Prague, the highest level since the record year 2008. Also in 2015 the supply pipeline should exceed long term average annual supply levels with more than 160,000 square metres.

Even considering that the first modern office buildings in Prague have been developed 20 years ago and that some replacements are necessary, the current supply of new space is exceeding demand by far with the consequence that vacancy rates will continue to increase at least during the next 18 months and that competition among landlords for potential tenants will intensify.



Hotel Le Palais in Prague, opened in 2003, changed ownership at the end of 2013.

On the other hand the Czech Republic is one of those countries in CEE where international and domestic banks are willing to finance real estate investments. Furthermore the low interest rates in Europe make it difficult especially for institutional investors to generate the necessary yields. Real estate investments are a good alternative and in Prague yields for prime office are at six percent (for comparison: in Germany prime office yields are at 4.5 percent).

In comparison with office transaction volumes investments in retail and hotels are rather modest. Prague is still one of the most sought-after tourist destinations. Only last year 5.58 million foreigners visited the Czech capital city. Therefore hotels are in demand, and often ownership is changing in those hotels that have been developed short time after the fall of the Iron Curtain. These hotels experienced their boom in the years before 2008. Since then the number of hotels available for tourist as well as the competition among the Prague hotels has increased and is still increasing with the result that room rates are getting under pressure.

Retail property is traditionally a popular asset class, but here again the sky is a bit cloudy. During recession many retailers started to examine their need of space and to 'optimise' it—a process still continuing. On the other hand for retailers the Czech Republic remains the second most sought-after retail market in CEE after Poland. However, for the vast majority of retailer's new market entries franchising is the preferred business model.

With the economic recovery also the purchase power is increasing, but shopping centre footfall remains low. However, there are additional shopping centres and retail parks under construction. During the first half of 2014 three new shopping centres with a total of 55,000 square metres were opened (Galerie Teplice, OC Luziny in Prague and Pivovar Decin), additional 85,000 square metres are currently under construction with completion expected in 2014 and 2015. That is less than in 2012 and 2014, but still very much. Total retail stock in the Czech Republic exceeds 3 million square metres. The stock per 1,000 inhabitants stands at 318 square metres with the highest density in Liberec (1,484 square metres per 1,000 inhabitants) and Teplice (1,400 square metres).

Shopping centres in the Czech Republic have to compete with e-commerce. While since 2008 retail sales in general are decreasing, e-commerce is experiencing two-digit growth rates. In 2013 Eurostat published a survey about the importance of e-commerce in European countries. On the top of all European countries is the Czech Republic with a share of 24 percent in the total turnover of the economy (2012), followed by Luxembourg (23 percent), Ireland (21 percent) and Sweden (20 percent). Germany is with 17 percent on the same level as Croatia.

Increasing e-commerce is one of the reasons why the industrial market and here mainly the market for warehouse and logistics is mentioned as one of the most promising segments. Furthermore the Czech Republic is a well-developed in-

dustrial country, with industrial sector having a share of more than one third in the GDP. The total stock of modern industrial space is at 4.5 million square metres with the lion's share of 1.77 million square metres in the Greater Prague region.

In the first quarter of 2014 approximately 63,000 square metres of new industrial space were completed, 86 percent of which have been pre-leased. The space under construction reached over 210,000 square metres. The highest share of space under construction is currently in Greater Prague with over 60,000 square metres, followed by Central Bohemia, Brno and Plzen regions. And again 85 percent of the space under construction is already pre-let.

The average country vacancy rate is at 8.2 percent, with Plzen (5 percent) at the lowest, and also in Greater Prague and Brno with 7.8 percent below average. The highest vacancy rates with more than 15 percent are registered in Southern Bohemia, Pardubice and Hradec Karlove. Rents remain stable and will perhaps show a slight increase next year, because there are nearly no speculative developments that could put pressure on rents.

As Poland also the Czech Republic is often characterised as a market already similar to Western markets. That might be true in terms of the established market economy. Another fact is that the exorbitant growth rates of the first years after the fall of the Iron Curtain have meanwhile levelled off on a European 'normal'. Especially where the 'first movers' among international developers and investors have been very active in the first years of transition a generational change is taking place now: At least partly the 'first movers' are leaving the market, and new players are entering the stage. The success of new players' business is depending from how thoroughly they have done their 'homework'. The Czech Republic is offering good opportunities, but the real estate investment markets have their risks as well. Since long also in the Czech Republic the proverb is true: All that glitters is not gold. | **Marianne Schulze**

FOR YOUR PLANNING

When	What about	Where	For information and registration
8.–10. September 2014	ProEstate 2014 International Real Estate Investment Forum	Expo Centr, Moscow, Russia	www.proestate.ru
28. – 30. September 2014	10. Conference of European Regions and Cities: "Europa 2050: Overcrowded Cities – Empty Provinces?"	City Hall of Vienna, Austria	www.institutfire.eu
6. – 8. October 2014	Expo Real 17. International Trade Fair for Property and Investment	New Munich Trade, Fair, Munich, Germany	www.exporeal.net
17. October 2014	ERES Industry Seminar „Re-capitalising the Recovery of the Real Estate Market in Ireland: Lessons for Europe"	Titanic Belfast, Northern Ireland	www.ulster.ac.uk/eres/
18.–22. November 2014	16. Frankfurt Euro Finance Week	Congress Center Messe Frankfurt, Ludwig-Erhard- Anlage 1, Frankfurt am Main, Germany	www.malekigroup.com
19. – 21. November 2014	Mapic – The International Retail Property Market	Palais des Festivals, Cannes, France	www.mapic.com
27. – 29. November 2014	ICSC Retail Strategy & Trends Forum	Meliá Milano Hotel, Milan, Italy	www.icsc.org
10. – 13. March 2015	Mipim	Palais des Festivals, Cannes, France	www.mipim.com
26. March 2015	European Shopping Center Symposium	Vienna, Austria	www.shoppingcentersymposium.eu
20.–21. May 2015	Global Real Estate & Economic Talks GREET Vienna	Palais Niederösterreich, Herrengasse 13, Vienna, Austria	www.greetvienna.com

INTERNATIONAL PROJECT MANAGEMENT – OFTEN CHALLENGING

Today nearly all of the bigger real estate companies are acting internationally. But asking them for their experiences in foreign countries and with foreign people, there is at least reticence. Nobody really wants to talk about the topic. Therefore a book is more than welcome that deals with international project management in general and includes a broad range of industries and job profiles.

It is not only about cross-cultural differences and how to learn to interact with foreign people in the right way, but also about practical questions as proper preparation for a longer stay abroad, international law of contract and of international tax law. The book also gives information about job titles unknown in Germany or job titles similar looking but with a different meaning in another country. And it presents examples of the practise of project management.

These examples are the main and major part of the book: 12 interviews with experts talking about their experiences with project management abroad. In front of

every interview there are 'interview characteristics' that give an overview about the main topic and can help the reader to choose examples important for him. The interviews are following the individual course of the conversation and picking up the topics the interviewee is focusing on. At the end of every interview the main topics and the special accents of the respective conversation are summarised again and the core message given.

In a concluding chapter Florian E. Dörrenberg and Hans-Jürgen Jeebe are reflecting again the practical experiences. They are highlighting the main challenges and main topics all examples have in common and are giving a conclusion. A comprehensive appendix with biographies of interviewees and authors as well as recommendations for further reading are completing the book.

It is the interviews, the practical experiences from different perspectives that makes the book not only informative but also entertaining. Although the project examples and interviewees are from other



Florian E. Dörrenberg, Hans-Jürgen Jeebe, Jörg Passenberg, Steffen Rietz, Lorenz Schneider
Internationales Projektmanagement in der Praxis – Berichte, Erfahrungen, Fallbeispiele

(published in German only)

347 pages

Symposion Publishing GmbH, Düsseldorf 2014

ISBN: 978-3-86329-649-0

Price: 44 Euro

industries the book can be helpful also for real estate people. There is only one disadvantage the book has: it is published only in German.

imprint

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

Layout: Silvia Hogl, www.diehogl.at

Frequency of publication: eight times a year

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

Managing Director: Andreas Schiller

Registered: Amtsgericht Köln, HR: B 68026

UID: DE270670378

T: +49 22 02 989 10 80
F: +49 22 02 989 10 81
E: office@schillerpublishing.de

Articles by authors represent the opinion of the author, and not necessarily the one of the editing office. For the purpose of information SPH Newsletter may be printed, digitally distributed and placed on the own homepage without any payment or permission. If articles or quotes are placed in either a press review or on the own homepage, it is obligatory to mention SPH Newsletter as source. The publishing house expressly receives the right

to withdraw this general permission in individual cases. Any reprint or other commercial use made out of SPH Newsletter outside that permitted within the narrow limits of the copyright is subject to permission from Schiller Publishing House. Any reprint or other commercial use assumes the written permission of the publishing house.

Photography: Krissikunterbunt – Fotolia.com (p. 1), Symposion Publishing GmbH (p. 1, below left, p. 27), Europolis (p. 13 third row left), Frank Boston – Fotolia.de (p. 14), Sergii Figurnyi – Fotolia.com (p. 23), GPI Group (p. 24), Warimpex (p. 25)