

SPH newsletter

news

News about CEE countries
page 2

special

Five years Forum ProEstate in
Saint Petersburg
page 8

Look at Saint Petersburg from an
international point of view
page 9

Saint Petersburg is something
special in many regards
page 11

background

European interchange and
understanding beyond official
speeches.
page 14

book review

Two books about
Saint Petersburg,
a bit different to
common travelling
guides
page 16



events

CEE at Expo Real
page 18

Expositions, conventions, and
conferences
page 19

opinion

Special niche: students apartments
page 20

DEAR READERS,



At the end of the summer—or better at the end of what was left over from it this year—and hopefully expecting a wonderful “indian summer” SPH Newsletter is back. The “special” in this issue is about Saint Petersburg where Forum ProEstate will take place from Wednesday, September 7, up to Friday, September 9. Both, the fair and its many conferences, are good opportunities to get an impression or an update about “the state of art” of the real estate industry in Russia. And for us it is a good opportunity to analyse the market of the city. But it’s not only the editors view to Saint Petersburg, some international real estate representatives do the same in this issue.

Too, you will find a first overview of CEE/SEE exhibitors at Expo Real in Munich. Keep in mind it is not that much time left till the beginning of October.

In fact we are not viewing Saint Petersburg and Expo Real only, but Brussels as well. “Brussels is located in Europe, but Europe is not located in Brussels”, an old bon mot goes. Definitely some truth is in that. But in Shopping Linthout it is quite different. At least Hungary and Poland have arrived there—and add value to the shopping centre. How and why, you will also experience in this issue.

Wishing you a still sunny reading,

Yours,

Andreas Schiller



Galeria Kaskada in Szczecin will be taken over following its completion in September 2011 by "ECE European Prime Shopping Centre Fund".

ECE LAUNCHES OWN REAL ESTATE FUND

Hamburg-based ECE group has launched the "ECE European Prime Shopping Center Fund", its first own pan-European real estate fund. Via the newly founded fund management company "ECE Real Estate Partners" equity commitments of more than 740 million euros have been raised to date. The final closing in summer is expected to provide an equity capital of around 800 million euros for the fund, which corresponds to an estimated gross asset value of around 2 billion euros once the fund is fully invested.

Globally leading institutional investors invested in the fund, including international sovereign wealth funds, pension funds, and insurances. The fund will focus on the acquisition of existing shopping centres with value-creation potential. Development projects will not be acquired. Both management and leasing of the centres will be taken over by ECE Projektmanagement.

The first secured projects are Stern-Center Potsdam, Linden-Center Berlin as well as Galeria Kaskada in Szczecin, which will be taken over following its completion in September 2011. For a total equity investment of 160 million euros, the fund has acquired majority stakes in all three projects. Further acquisitions are planned. Intended are investments in shopping centres located mainly in Germany, Poland, Hungary, Czech Republic, and Austria.

REAL ESTATE PROFESSIONAL SOCIETY SET UP IN ROMANIA

A number of international real estate consulting companies in Romania joined hands to set up the 'Real Estate Professional Society' (REPS). REPS has eight founding members: BNP Paribas Real Estate, CB Richard Ellis, Colliers Romania, Coldwell Banker, Cushman & Wakefield, DTZ Echinox, Jones Lang LaSalle, and Knight Frank.

REPS's main objectives are promoting the local industry's interests, improving the quality of services, a better representation of the real estate community in the market and facilitation of the dialogue with the public authorities and the specialized institutions.

FUTUREAL TO DEVELOP KPMG'S NEW BUDAPEST HEADQUARTERS

KPMG in Hungary has chosen Futureal to develop its new built-to-suit Budapest headquarters. KPMG will occupy half of a new 20,000-square metres office building to be located on the most visible corner of the Vaci út office corridor, right above a metro station. The built-to-suit building will target a BREEAM Very Good level of 'green' certification. The 10-year lease will commence in 2014.

This is the third new project Futureal has started this year besides Nova Park, the 120-million euros shopping centre joint venture in Poland, and Cordia Sun Resort, a 300-unit residential project in its flagship urban renewal project Corvin Promenade in Budapest.



Andel City in Prague: The office building developed by UBM was purchased by Invesco Real Estate on behalf of Nordrheinische Ärzteversorgung.

INVESCO RE ACQUIRES OFFICE BUILDING IN PRAGUE FOR NAEV

Invesco Real Estate has acquired the property Andel City 11 SO, a class-A office building located at Karla Engliš 3219/4 in the Andel District, an extension of the Prague CBD, for an undisclosed amount. This is the second property that IRE has purchased in the past months on behalf of a pan-European separate account mandate, which IRE manages for German client Nordrheinische Ärzteversorgung NAEV (pension fund for medical professionals in North Rhine-Westphalia).

Andel City provides about 4,200 square metres of high quality office space over five floors, 31 parking spaces as well as a ground floor conference centre for the adjacent Angelo Hotel. It is currently fully let to international tenants including Maersk and UBS. Vendor of the property is Austrian developer UBM Realitätenentwicklung AG.

ATRIUM AND MULTI CONCLUDE BUSINESS RELATIONSHIP

Atrium European Real Estate, a real estate company focused on shopping centre investment, management and development in Central and Eastern Europe, announces that it has executed the settlement agreement with Multi Investment BV and that their business relationship has now been terminated.

The Agreement covers five projects in total: the sale of 100 percent of Atrium's shares in the company that owns Trabzon shopping centre in Turkey to Multi; the acquisition of the remaining 49.9 percent of the shares in the company that owns Koszalin shopping centre in Poland from Multi—Koszalin shopping centre with a gross lettable area of around 54,000 square metres is now 100 percent owned by Atrium; the acquisition of the remaining shares in three companies which respectively own a development project in Sofia, Bulgaria and in Balçova (Izmir) and Istanbul in Turkey as well.

As a result of the agreement Atrium will receive net cash of approximately 64 million euros and generate a profit of approximately 15 million euros.

DEMJÁN GROUP TIES UP WITH CHINA'S HNA GROUP

Demján Group, the majority shareholder in Budapest-based CEE developer TriGranit, is linking up with HNA Group, one of the top Chinese private conglomerates, to cooperate in a number of areas including large real estate projects. The two sides signed a strategic agreement. Details of the partnership were not unveiled.

The parties plan large-scale developments in Hungary in the areas of logistics, airport development, air travel, property development, hotel and shopping centre development, transport infrastructure development and financial services. Rooted in the Hainan Provincial Airlines Company, HNA Group had 40 billion euros of assets under management last year and came 6th in the "China Top 500 Private Companies" ranking.



Pramerica

**Worldwide real estate
investment opportunities
for a global client base.**

Mitikah
Mexico City



Pramerica Real Estate Investors

- Managing real estate investments since 1970
- Shariah compliant global and regional products
- USD 46.4 billion as of March 31, 2011*
- Over 450 institutional clients worldwide
- 24 locations in North America, Latin America, Europe and Asia
- Core, value-added and opportunistic strategies
- Global real estate securities and private equity strategies

For more information, please contact:

Paul Devonshire
p.devonshire@pramerica.eu
+49 89 286 45 148

www.pramericarei.com

* TOTAL GROSS ASSETS UNDER MANAGEMENT. TOTAL NET ASSETS UNDER MANAGEMENT EQUAL USD 28.4 BILLION AS OF MARCH 31, 2011.

PRAMERICA REAL ESTATE INVESTORS IS THE REAL ESTATE INVESTMENT MANAGEMENT ARM OF PRAMERICA FINANCIAL. PRAMERICA FINANCIAL IS THE TRADE NAME USED IN SELECT COUNTRIES OUTSIDE OF THE UNITED STATES BY PRUDENTIAL FINANCIAL, INC., A NYSE LISTED COMPANY. PRUDENTIAL FINANCIAL, INC. OF THE UNITED STATES IS NOT AFFILIATED IN ANY MANNER WITH PRUDENTIAL PLC, A COMPANY INCORPORATED IN THE UNITED KINGDOM.

©2011. PRAMERICA REAL ESTATE INVESTORS. PRAMERICA AND THE PRAMERICA LOGO ARE REGISTERED SERVICE MARKS.



Olympia Shopping Centre in Brno is the largest regional shopping centre in the Czech Republic.

ROCKSPRING AND ECE ACQUIRE OLYMPIA SHOPPING CENTRE IN BRNO

Rockspring Property Investment Managers LLP and ECE have acquired Olympia Shopping Centre in Brno from The Somerston Group. The property is being acquired through a 50:50 joint venture between clients of Rockspring and the ECE European Prime Shopping Centre Fund. Opened in phases between 1998 and 2010, Olympia Shopping Center is the largest regional shopping centre in the Czech Republic. The centre comprises approximately 85,000 square metres of lettable area.

Rockspring Property Investment Managers is a professional investment fiduciary specialising in the acquisition and management of commercial property throughout the UK and continental Europe on behalf of major institutional clients. As of March 2011 Rockspring had gross assets of 7.5 billion euros in funds under management.

ETALON GROUP TO BUILD RESIDENTIAL QUARTER IN SAINT PETERSBURG

Russian developer Etalon Group has acquired a 2.1-hectare land plot in the Moskovsky district of St. Petersburg on which it plans to develop a new 50,000-square metres net sellable area residential neighbourhood project. This is the second new project the company has added to its development pipeline since its IPO on the London Stock Exchange in April 2011.

The site is located in the south of the Moskovsky district and within walking distance from the Pulkovo shopping and entertainment zone. Etalon Group plans to develop a multi-storey residential complex, comprising housing, parking and commercial real estate on the site which is already fully equipped with the required utility infrastructure, including heat, water and electrical supplies. Construction is expected to start in 2012.

TAKE-OFF FOR AIRPORT SHOPPING CENTRE SARAJEVO

In Sarajevo, the capital of Bosnia and Herzegovina, preparations for the construction of the shopping centre ACS Airport Centre Sarajevo have begun in the vicinity of the city airport. Developer is ACS LLC, 20 percent of which is owned by the state-owned Sarajevo Airport, while the remaining 80 percent is in the equal ownership of IPD Innovation Park Development and Karimpol Group of Companies, both from Vienna. The general constructor is Bosnian company Muciae & Co. LLC from Ljubuški. Opening of ACS is planned in 2013.

The family company IPD was founded in 1994, and since then it has realised a series of logistic and office projects throughout CEE. Karimpol Group of Companies has been specialising exclusively for more than 20 years in office building properties, and has realised numerous projects in Prague, Warsaw, Bratislava, as well as in Budapest (in cooperation with IPD), in Moscow and Sofia. Airport Shopping Centre Sarajevo is the first joint project of the two companies in a shopping centre.



The first two buildings of the office complex B4B Bonarka 4 Business in Krakow are open to tenants.

TRIGRANIT'S B4B OPENS ITS GATES

The class-A Bonarka 4 Business (B4B) office project in Krakow is open to its tenants. B4B was developed jointly by TriGranit Development Corporation and IPR and comprises 15,692 square metres of office space offered in two independent buildings. The B4B is located next to the key access routes in Krakow and the Bonarka Railway Station, thus providing very convenient connections: it takes 5 minutes to get to the main inner-city artery of Krakow and Rondo Mateczny, 10 minutes to the Main Square and Wawel Castle, and also 10 minutes to the Krakow Ring Road and A4 motorway. Once completed the B4B project comprises four stand-alone, class-A office buildings. The office complex comprises in total 32,000 square metres.

HEITMAN ENTERS THE RUSSIAN MARKET

Heitman European Property Partners IV has made its first investment in Russia. They purchased a class-A office building with 74,000 square feet (approximately 6,875 square metres) in Moscow's Voykovsky submarket, from the developer, Capital Partners.

The property, known as Office Building 2, is part of the Metropolis mixed-use centre, a 311,000-square metres complex comprising three office buildings and a shopping centre. It is located along the office corridor connecting Moscow city centre with Sheremetyevo Airport. Completed in 2008, it is now fully leased to multinational corporate tenants. On the transaction Heitman was advised by international law firm Salans.

STAFFING



*left: Thomas Köntgen
right: Wilhelm Molterer*

Thomas Köntgen was appointed the new Chairman of the Board of Managing Directors at Eurohypo with effect from 1 September 2011. He is taking over from Dr Frank Pörschke, who is leaving the bank. Dr Frank Pörschke became a member of the Eurohypo Board of Managing Directors in 2007 and was appointed Chairman in October 2008. Thomas Köntgen has been a member of the Eurohypo Board of Managing Directors since 2008, with responsibility for commercial real estate financing in Germany. The business studies graduate has over 15 years of experience in real estate finance, both on the sales side and in risk management. He has worked for Eurohypo since the bank was founded in 2002.

Wilhelm Molterer has been appointed Vice-President and member of the Management Committee of the European Investment Bank (EIB). He took up his duties on 1 July 2011, succeeding Eva Srejber, whose term of office as EIB Vice-President had ended. Wilhelm Molterer is an Austrian national. He was appointed by the EIB's Board of Governors on a proposal from the Finance Minister of the Republic of Austria and with the agreement of the constituency formed by Estonia, Latvia, Lithuania, Finland and Sweden. Before joining the EIB, Wilhelm Molterer was an Austrian Member of Parliament for many years, holding a variety of political positions. From 11 January 2007 to 2 December 2008 he was Vice Chancellor and Finance Minister of the Republic of Austria and in this function already one of the governors of EIB.



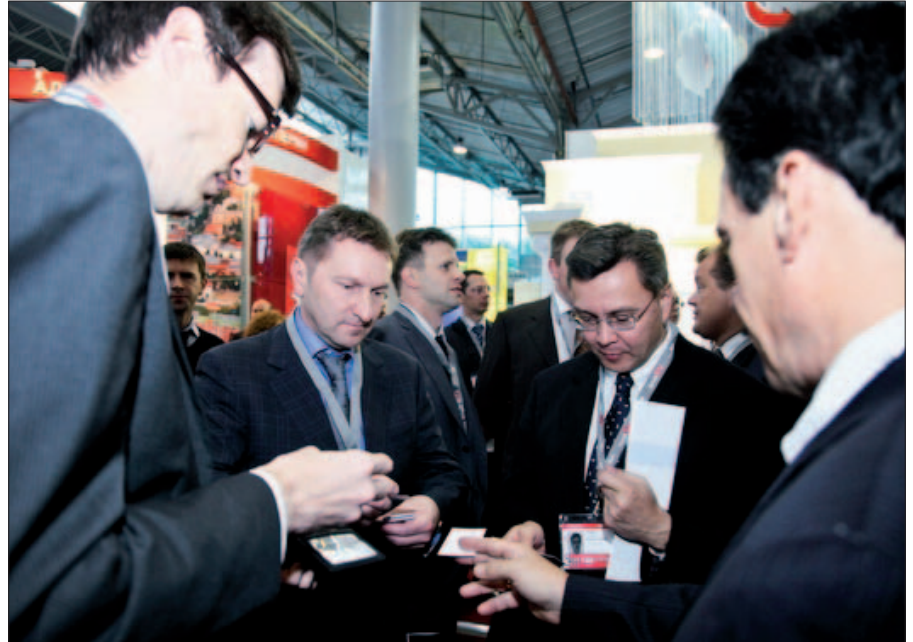
PROESTATE'S 5TH ANNIVERSARY

From September 7–9, 2011 the International Real Estate Investment Forum ProEstate takes place in Saint Petersburg. Launched in 2007, the event will have its 5th anniversary.

Five years—that does not sound very much. But during the last five years, in 2008, the credit crunch burst in and stirred up the real estate markets worldwide and the Russian property market in especially. To survive this storm as a relatively young event is still a noticeable performance.

Since 2003 the “Guild of Property Managers and Developers” GMD in Saint Petersburg had organised an annual conference “Commercial real estate of Russia: management, investment, development”. The conference turned out to be a success, so the City Government of Saint Petersburg as well as the Ministry of Economic Development of the Russian Federation supported actively the idea to develop ProEstate Forum, an event that combines a comprehensive conference programme and a real estate exhibition. Already the first ProEstate Forum in September 2007 attracted 1,760 participants from 40 Russian cities. In the following year the Ministry of Regional Development became co-organisier of ProEstate Forum, and international organisations supported GMD with the conference programme. The way for a successful future seemed to be paved.

But short time after ProEstate 2008 the world had changed: After the credit crunch many international players left the Russian market, and as well many Russian companies went into a tailspin. But again about 1,200 participants from 18 countries and 30 Russian regions and cities gathered at Forum ProEstate in 2009. One year later the great stir by the credit crunch and the following economic crisis has settled down, the Russian markets has started to rebound. And by this ProEstate became



Forum ProEstate is an important networking platform for business in Russia and CIS.

again significantly important. The number of participants increased to 2,000.

For sure, ProEstate cannot be compared with the great international exhibitions, but for everybody who is or wants to be active in Russia and CIS the event in Saint Petersburg is one of best networking platforms. Here not only cities and regions are present, but as well real estate companies, from planner and designers, engineering companies, developers and investors to international consultants and law firms.

At least as well important and interesting as the exposition are the nearly 30 sessions, panel discussions, seminars and workshops of the conference programme. Themes are about the drivers of the real estate markets; about the role banks are playing in real estate; about the different segments of real estate markets—from office and retail, from hotel, warehouses and logistics to the residential market in Russia; about sustainability and energy efficiency, two concepts that become more and more important in Russia; about the

role of architecture; and about the financial management of development projects. A special section is dedicated to urban developments: to the different challenges of brownfield conversation—Russian cities have more than enough brownfield sites because in Soviet times industrial production was allocated within the city; to the challenges of world heritage cities, about the transformation processes in metropolises and in small towns and how to control this process successfully.

The most thrilling theme may be the match-making between Russian developers and international investors. Whoever has experienced such a discussion knows that in the beginning the very diverse if not opposed conceptions are clashing. In the best case starts a dialogue and step by step with growing understanding for the other side the different conceptions will come up to each other. To follow this process gives a better insight and helps more to learn about Western-Russian relationships than many theoretical seminars about intercultural communication. | **Christiane Leuschner**

SAINT PETERSBURG FROM AN INTERNATIONAL POINT OF VIEW



*Jörg Banzhaf,
Chief Investment Officer,
Atrium European Real Estate Ltd.*



*Karl Bier,
Chairman of the Board,
UBM Realitätenentwicklung AG*



*Alexander Bosak,
Managing Partner,
Bosak Real Estate Consulting GmbH*

Only some international investors are looking to Saint Petersburg. For this reason we asked for this match mainly those who are familiar with or even active in the city.

THE REAL ESTATE MARKET OF SAINT PETERSBURG IS CHARACTERIZED BY...

... its Russian provenance. Everybody starts to think mainly about the country. But who is ready to invest in Russia, will also turn inevitably and quickly to Saint Petersburg.
Jörg Banzhaf

... its favourable and extremely promising environment. Saint Petersburg is the second largest city in Russia but much closer to the European mentality than other Russian cities. Furthermore it is more developed than the Central and Ural regions of Russia.
Karl Bier

... its relative youth and its large undersupply especially with prime office space.
Alexander Bosak

... its professionally developed projects.
Dr. Frank Jurkowitsch

... a realistic development volume slowly driven by low but stable demand.
Markus Neurauter

... the even now starting slight recovery after the whole post-war period.
Sergei Tchoban

THE GREATEST ADVANTAGE OF SAINT PETERSBURG IS ...

... its beauty. Who once visited the city will come back again.
Jörg Banzhaf

... the lack of class A business centres. For the next 2 or 3 years there will be no significant increase in the quantity of newly built areas due to the impact of the global financial crisis. Therefore the competition in the segment of class A business centres will ease.
Karl Bier

... the unique historical cityscape, a great development potential within the city as

well as a noticeable cosmopolitanism of a seaport city.
Alexander Bosak

... its orientation towards Europe.
Dr. Frank Jurkowitsch

... its size, an on-going development and great future potential for international companies.
Markus Neurauter

... the beauty of the city and the perfection of the historical architectural environment.
Sergei Tchoban

THE GREATEST DISADVANTAGE OF SAINT PETERSBURG ...

... is its lack of transparency.
Jörg Banzhaf

... is the lack of plots for sale with an already existing infrastructure.
Karl Bier

... is the bad condition of the building stock and of the infrastructure in gen-

eral (buildings, roads, lines and tubes, public transport etc.).

Alexander Bosak

... are the expensive flights.

Dr. Frank Jurkowitsch

... are—regarding new developments—its restrictions in terms of historical heritage and a lack of suitable plots in central locations.

Markus Neurauter

... is the too great reluctance or perhaps fear for modern architecture and the missing readiness of those involved in the construction process to realise this architecture in prime quality.

Sergei Tchoban

WITH INTERNATIONAL INVESTMENTS IN RUSSIA SAINT PETERSBURG IS OFTEN IN THE SECOND ROW BECAUSE ...

... it is only the second largest city of a very sophisticated country.

Jörg Banzhaf

... there is wide-spread opinion that the market shows an higher risk. This is not quite right. There is no more risk than in any other emerging markets when you handle your business absolutely transparent and legal.

Karl Bier

... it is not the capital of Russia and therefore—at least in the mid-term—it is not as attractive as Moscow for international companies. Besides, due to the high level of centralisation the office stock in Moscow is seven times higher than in Saint Petersburg. Furthermore prime office buildings suitable for investments are lacking in Saint Petersburg.

Alexander Bosak

... some investors are looking only to the capitals.

Dr. Frank Jurkowitsch

... most of the investments are absorbed by the city of Moscow. Saint Petersburg is not the prime choice for suitable investment opportunities.

Markus Neurauter

... in the first row is the capital Moscow.

Sergei Tchoban

FOR SAINT PETERSBURG I WISH ...

... steadier legal frameworks, more predictable administration structures and a stricter prosecution of corruption.

Jörg Banzhaf

... further infrastructure development and decreasing administrative interferences. Currently we have noticed significant changes on this way however there is still a lot to be done.

Karl Bier

... that the way to more transparency, legal certainty and improvement of building quality as well as the development of infrastructure facilities will be pursued.

Alexander Bosak

... that it will become the financial centre of Russia.

Dr. Frank Jurkowitsch

... a steady and healthy growth in the future.

Markus Neurauter

... more quality in architecture because that means real sustainability. Good architecture is able to mature and to age without losing its decency.

Sergei Tchoban



*Dr. Franz Jurkowitsch,
Chairman of the Management
Board, Warimpex Finanz-
und Beteiligungs- AG*

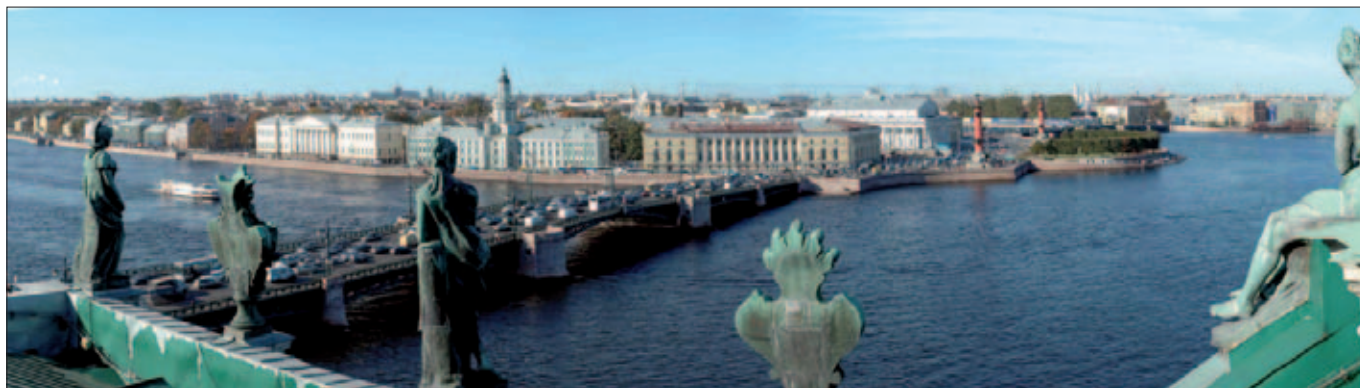


*Markus Neurauter,
Managing Director and
Spokesman of the Board,
Raiffeisen evolution
project development GmbH*



*Sergei Tchoban,
Architect and
Managing Director,
nps tchoban voss Architekten*

SAINT PETERSBURG – SOMETHING SPECIAL IN MANY REGARDS



Still not everywhere Saint Petersburg is as beautiful as in the historic city centre. New-Holland is still waiting for its revival.

It is one of the most beautiful European cities, with 4.6 million inhabitants it is the second largest city of Russia, and it is a centre of education and culture: Saint Petersburg, a city, that is very different to Moscow and that has its own characteristics.

Moscow has changed rapidly during the last decade. Everywhere new business complexes were developed, Moscow-City, some kind of Russian Manhattan, was brought up, some districts changed to central office markets, and plans for future projects became more and more gigantic. The dizzying speed of Moscow's modernisation before the face, Saint Petersburg gives more or less the impression that many ideas are discussed for year, but do not really gain momentum.

To mention only some of the most prominent examples: the airport Pulkovo, dis-

cussed since many years and for many visitors of the city the first and little inspiring impression of the city. Finally since autumn 2010 the new terminal is under construction and completion is scheduled for the end of 2013. New-Holland, a 7.6 hectares inner-city former shipyard, is ready for conversion since 2004. A first start-up by the British architect Sir Norman Foster broke down because the necessary investments exploded and by the credit crunch the investor went into a tailspin. Now Roman Abramovich purchased the area and plans to develop a centre of culture and arts. Gazprom Tower, especially disputed because of its location, will now be realised far away from the World Heritage site of the city centre on the Lakhta area of the Primorsky District. Another project in discussion since years it the Orlov tunnel that will lead the traffic on six lanes through the ground under the Neva river. Actually construction start is sched-

uled for 2013. Therefore some weeks ago, an agreement was signed with the German company Herrenknecht AG that will construct an appropriate tunnel-boring machine. Some years ago the model of a new football stadium was presented at international fairs but for a long time the financing of the project was unclear. Meanwhile the City Government stepped into the breach as investor and the new stadium for FC Zenit is under construction. The opening is scheduled for 2012.

In short: What becomes reality within short time in Moscow, will need some days more in Saint Petersburg. However, there is quite a big difference between Moscow and Saint Petersburg, as Nicolay Veher, Partner and Head of Operations of GVA Sawyers, emphasizes. The Fellow of the Royal Institution of Chartered Surveyors explains: "Moscow is an international city like London and Paris. Saint

Petersburg is just an inland city, not an international one. For that reason, social and business processes in these cities run differently. Originally, the Moscow market model conformed to the Western examples of metropolitan areas, which caused the current situation: today foreign investors understand what is happening on the Moscow market, but Russian investors not always do. Besides, about 80 per cent of all Russian equity is concentrated in Moscow. Consequently, the investment capacity of all the remaining regions is not at all high", reports Nicolay Vecher.

"The Saint Petersburg market model was formed on another basis", he continues. "First, Saint Petersburg businesses had to work in a much more competitive environment than those in Moscow. Due to smaller funds this required the application of more technological schemes in all business processes. Such distinctive characteristic of Saint Petersburg turned out to be more closely related to and easier to understand for all other Russian cities, than the Moscow model (with the exception of maybe Yekaterinburg and Kazan). In other words, when Moscovites bring their investments to the regional markets, Saint Petersburg's people bring their management technologies there. In addition, the application of the Moscow business process management schemes to other Russian cities often results in the project failure, since it does not at all take into account local specifics. This is proved by many examples. For instance, the business centre of the company Rosevdevelopment in Novosibirsk was developed in accordance with the Moscow models of space planning solutions, namely, with very large offices in an open space format, which turned out to be completely not in demand in Novosibirsk because here it is local tradition to buy large offices instead of renting them."

Indeed, the main target of Saint Petersburg is to support the development of the knowledge society. Next to Moscow the city on the Neva is the most important education and science hub in Russia. On the one side, there are 53 state-run and

40 non-governmental universities with approximately 350,000 students and more than 2,000 education institutes with about 73,000 teachers and 1.5 million apprentices. On the other side, Saint Petersburg has an enormous number of research and development companies and is the Russian model cluster in the area of R&D. By this the core business areas benefit to a large extent. Among these core businesses are the automotive industry, the ship building industry, but as well as growth industries like optical technologies, IT, electronic en-

sociated partner of CB Richard Ellis in Saint Petersburg, the total volume of class A and class B warehousing complexes in and around the city was at 1.5 million square metres.

In the office sector, the impact of the worldwide credit crunch in 2008 and the economic crisis was much stronger. Only in the second half of 2010 the office real estate market showed again positive dynamics. "The structure of demand has significantly changed towards larger premis-



The success of the new Stockmann shopping centre is due to its location in the city centre.

gineering and systems (especially for the aerospace industry), new materials, engineering and the area of health-care.

A good transport infrastructure connects Saint Petersburg with other regions of the Russian Federation, with its neighbour country Finland and the Baltic Sea region: 12 railways, 5 railway stations, 11 highways, the airports Pulkovo I and II, 3 ports (cargo seaport, cruise home port and inland harbour), a—for Russia—well established road system and an orbital motorway.

The infrastructure is one of the reasons why the city is quite interesting for logistics. However, according to NAI Becar the market for warehouse and logistic properties is still largely undersupplied. Although rents in warehouse and logistic properties resisted the impact of the crisis better than other sectors, many projects were put on hold. According to Maris Properties, as-

es. The share of requests for premises of over 500 square metres has reached 10 percent. The share of demand for large premises has not increased due to the decrease in demand for smaller premises, but it has happened thanks to an increase in the number of requests for medium sized and large premises", reports Nicolay Vecher. However, also on the office market development activity decreased significantly. According to GVA Sawyer, in 2010 about 120,000 square metres of new office space were commissioned, in 2011 the volume will be presumably a bit lower. Total volume of modern office space in Saint Petersburg is at 1.5–2 million square metres.

About one third of office space commissioned in 2010, falls on Moscovskiy District near the airport zone. Here two of the most modern business complexes of the city are located: "Technopolis" and



The shopping centre Bolshoi Gostiny Dwor is a wonderful ancient building from the 18th century, but as a shopping centre it still operates in the Soviet format.

"Pulkovo Sky". In general, the airport zone shows a very vigorous development. This year for example "Airportcity will be opened, a joint venture by the three Austrian companies Warimpex, UBM and CA Immo. Airportcity comprises the four-star hotel Crown Plaza with 300 rooms (operator: Intercontinental Group) and three office buildings with a total area of 39,000 square metres.

Also the market for retail properties is recovering. An indicator is the definition of rent rates. "During the crisis there was a trend of defining rent rates as a turnover rate. This trend has stopped. Now, it is mixed rent rate that is used even more often", explains Nicolay Vecher. Also on the retail property market there are actually only few developments, although new concepts like outlet centres were discussed and analysed by their potential. Modern retail space in Saint Petersburg reached 5.4 million square metres (about 3 million square metres gross lettable area), in other words: there are 658 square metres per 1,000 inhabitants available (in comparison: in Moscow it is about 350 square metres per 1,000 inhabitants).

Retail market in Saint Petersburg requires some explanations. "In the beginning the main strategy of the city government was to make Saint Petersburg attractive for large retail formats like shopping centres and hypermarkets", Nicolay Vecher says. "The effect was that small stores located within walking distance and granting the local supply, were eliminated. For daily shopping the city residents were forced to go to hypermarkets, situated on the city outskirts. To attract chain retail and large retail centres like the Swedish Mega to come from the Moskva to the Neva river there was implemented a programme lowering the administrative barriers and decreasing the financial level of the project participation."

"These favourable conditions attracted not only federal and international chains to the city, but also produced large local players like O'key, Lenta, and Saint Petersburg's largest retail real estate developer and investor, the holding Adamant that controls more than 25 percent of all the city retail real estate," Nicolay Vecher continues. "The local chains started to make it difficult in every way for Moscow and other players to come to the city. For-

eign investors occupied mostly the DIY sector, where the positions of the local players were much weaker. The French food chain retailer Auchan could secure its position on the market only because of its strategic partnership with the Swedish Mega. And the German MediaMarkt occupied its niche thanks to its large scale and aggressive marketing schemes, similar to the local chain Eldorado, which has been increasingly losing its positions on the today's market."

Interesting is also the allocation of shopping facilities in the city. "Until recently, large retail centres and hypermarkets were located mostly in so called 'bedroom' suburbs and on the city exit highways", reports Nicolay Vecher. "However, in the end of 2010, two large retail centres were simultaneously opened across each other in the very city centre of Saint Petersburg, on Ploshad Vosstaniya: 'Galereya' with an area of 190,000 square metres and 'Stockmann' with an area of 90,000 square metres. The success exceeded all expectations. The key positive factor was the location, as all consultants remarked. There have not been any modern large retail centres in the city centre until now, except for 'Bolshoy Gostiny Dvor' that operates in the Soviet format and is owned by Viking bank that is not intending to invest in its real estate."

Looking at the investment market, it seems that Saint Petersburg attracts only small international interest. "The reason is", according to Nicolay Vecher, "that for foreign investors Saint Petersburg's real estate market is not transparent enough, and its demand is not explored sufficiently. Only some private equity investors are active in the city, for example, the Norwegian WenaasGruppen that purchases and develops actively hotels in Saint Petersburg, as well as Finnish and Swedish companies like Ruric AB, Evli Bank and construction companies like NCC and YIT. On the other hand, Russian investors like Gazprom, RZD, Lukoil, and state banks like VTB and Sberbank are ready to put money into Russia's second important city." | **Marianne Schulze**

BEYOND OFFICIAL SPEECHES

For the first time since the EU enlargement in 2004 that overcome the separation in an eastern and western part of Europe two CEE countries consecutively have the presidency of the Council of the European Union. This news is well-known to everybody. But how can the new “normality” be integrated into every day’s life?

About 20 years passed since the break down of the Iron Curtain that divided Europe in East and West and cut by force the traditional relations between countries and people that despite two world wars were still existent. In these two decades Europe—with all its plurality and diversity—has become again a unity step by step. So far, so good—that is what we hear in many variations in all official speeches. But in the best case political terms are the pre-conditions for an exchange of ideas and products between people. And who has not a high affinity for CEE by professional and/or private reasons will not really recognise this unification process in his every day’s life.

This is different in Brussels: The Belgian capital is—among Luxembourg and Strasbourg—seat of several institution of the EU. Therefore many people of the EU member states are living here or come to visit the city for private or business reasons. Caused by the EU presidency of Hungary and Poland, especially in Brussels there are many cultural events. However, not only official institutions take care for some Hungarian or Polish atmosphere in the city. In the district Woluwe-Saint-Lambert there is a small shopping arcade “Passage Linthout” or “Shopping Linthout” that takes the respective presidency as a reason to bring products and culture of the country to the city’s inhabitants.

During the EU presidency of Hungary there was an Hungarian store in the arcade that opened its doors at March 15, the anniversary of the Hungarian revolu-



The Hungarian store in Shopping Linthout in Brussels

tion against Austria in 1848, and offered among other typical products fresh-baked Baumkuchen (spit cake or pyramid cake). At the same time the book store in the arcade enlarged its range of books by some titles about Hungary, the wine merchant sold Hungarian wines as well, and the restaurant asked for Hungarian recipes to offer its guests some Hungarian specialities among traditional menus. From September on, Passage Linthout will have special offers and a special shop regarding Poland. Then MBM Interiors will be also involved and provide its walls for a photo exhibition about Gdansk.

It is not the first time that Elisabeth Koch, owner of Passage Linthout, is organising such special offers and events in the shopping centre. “In Shopping Linthout we have nearly 40 stores, and there is always one vacant. For these ‘special offers’ I do not charge any rent, only the operating costs—the Belgian law allows such a settlement for temporary actions. By this way it is affordable for those, who want to present themselves and their products. Surprisingly there are

quite many that take the chance to come to Brussels and to assert themselves in a western city.” And in contrast to events and actions of embassies, and other official institutions it is the main goal of a shopping centre to offer something to buy.

Even though Elisabeth Koch grants the Hungarian or Polish countrymen a commercial opportunity, she wants to do more. She wants to give the expatriates living in Brussels a bit of their native country and to promote these countries. That is why she co-operates with cultural institutes, consulates, tourism agencies and other “officials” to present—besides the products—the countries itself and their culture and to boost the dialogue between the different nationalities. Therefore Elisabeth Koch is also pursuing a new idea: organising an event with the target to bring Polish and western investors together and to create a format for direct interaction about opportunities for the ones and the others here and there.

Where a dialogue is already happening without any problems is with the tenants



The building of Shopping Linthout shows its time of construction, but inside the arcade has its own atmosphere.

of "Passage Linthout". They are positively responsive to the "special events", they take part and are ready to help if there are any practical problems. Perhaps this openness is also a result of the history of Passage Linthout.

Constructed in 1974, Shopping Linthout comprises about 4,500 square metres gross leasable area. It is located only one metro station away from Place Schuman, the central traffic junction for the "European district" in Brussels. The environment of the arcade is characterised by small and individual stores and services, restaurants and cafés. Woluwe-Saint-Lambert is mainly a residential district with a great percentage of inhabitants from the EU countries. Walking through the streets well refurbished old apartment houses catch the eye. In other words: Here mainly the upper middle class is at home.

With this kind of inhabitants Passage Linthout as an "old lady" goes better than shiny modern shopping centres. Admitted, the "old lady" needs a careful "lifting", but tenants and owner agree that the special charm of the bricks—one of the most characteristic construction materials in Brussels—has to be preserved at any rate. Shopping Linthout is everything but dreary and old-fashioned, quite the contrary. Visitors of Passage Linthout have rather the feeling to stroll in an individual and soigné environment with its own atmosphere. Instead of one of the home-

ware chains there is an individual interior design store where tailor-made wishes are fulfilled, instead of one of the great electronics markets there is an Apple store, and who is not in search for the dernier cri for youngsters but want to be dressed modern and elegant will be in Shopping Linthout in the right place.

What is apparent immediately: In Shopping Linthout there are located only two franchiser, all the others are individual, owner-run stores or businesses. And that is not a new development: 16 stores exist since 20 years, five tenants are running their business for nearly 35 years in Passage Linthout. Following Elisabeth Koch, the long-established tenants are those who are paying rents always on time and reliably. Although some consultants gave her the advice to terminate some of the elder lease contracts and to rent the space to one of the great chains, she is not willing to do so—the more so as it had turned out that the contemplated chain will pay less than the already acquainted tenants. "People do not want always all the rage and new shops and stores, they want to go to shops they are familiar with. And instead of a wide range of shops only two or three of the great chains means a loss and an impoverishment—of supply, for the district, for the people", Elisabeth Koch is convinced.

She takes care for her tenants and involves them in decisions about the shop-

ping centre. Perhaps it is this co-operation of tenants and landlord and the mutual appreciation what helps to open up with "foreigners".

The conviction that it is important for the district's inhabitants to have long-established shops, services and crafts enterprises instead of faceless chains not only for economic reasons but also to create identity in a district, to initiate common projects and to develop synergies is also supported by the district government of Woluwe-Saint-Lambert. In spring 2011, the district government invited all who or whose family run a business in the district for 20 years and more to a soirée in the Wolubilis cultural centre. More than half of the tenants of Shopping Linthout received this invitation and were honoured by a dinner-cocktail with concert and by an official certificate and a gift from the district government.

In many respects Passage Linthout in Brussels is a good example: how to keep a district vivid and multifunctional, how to take care of tenants and to create a long-term tenant-connectivity, how to create identity and—perhaps therefore—to be open for new and unknown ideas and people, how to implement the idea of united Europe in everyday's life and how everybody benefits from it. In short: how the often cited European city with its diverse relationships to all the world can be revived. | **Marianne Schulze**

TO READ THE HISTORICAL TRACES

Whoever is travelling to Saint Petersburg will meet the history of the city at every turn. Developed from scratch by Peter the Great the city was the residence of tsars and capital of the multi-ethnic Russian empire for more than two centuries. Here the October Revolution in 1917 had started and marked the end of the high period of the city. New capital and seat of government became (again) Moscow. But not only the revolution and the years of Stalin's reign of terror changed the structure of the city, as well the siege of Leningrad (how the city was renamed) by Nazi Germany during the Second World War left its deep marks in the city's mind and memory.

In the book "Sankt Petersburg – Schauplätze einer Stadt" (Saint Petersburg – Sites of a City;) 24 essays of different authors invite to excursions into Saint Petersburg's past away from caved touristy paths. They

guide to locations of former German and Jewish life, to the scenic boulevard Moscovskiy Prospekt, to the sites of Bolshevik mass meetings, to the—during the times of the tsars—notorious Ministry of the Interior and Police Department on the Fontanka river, but also to parks and gardens, to cinemas and apartments. By the sites the history of the city and its inhabitants became a vivid mosaic.

The advantage of the book is that by the city as it is presenting itself today the reader (of the book and the city) get a profound knowledge of Saint Petersburg's history. It can be used as a guidebook that does not describe superficially the highlights of the city but gives the history and the ideas behind and puts these both in a greater context. The only one disadvantage: The book is only available in German. | **Marianne Schulze**



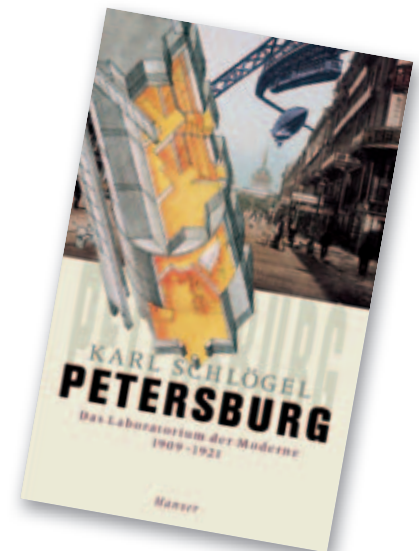
Karl Schlögel, Frithjof Benjamin Schenk, Markus Ackeret (Editors.)
Sankt Petersburg
Schauplätze einer Stadtgeschichte
440 pages, 2007 Campus Verlag,
Frankfurt am Main, ISBN 978-3-593-38321-7
Price: 29,90 euros

PETERSBURG – LABORATORY OF MODERNISM

Talking about the development of modernism there are mainly Paris, Vienna and Berlin in the focus. However, a fourth city has to be mentioned: Saint Petersburg. There, too, a great departure took place at the beginning of the 20th century when the city, with the beginning of industrialisation, suddenly found itself confronted with new challenges. Everything was on the move: among the intelligentsia, utopians and visionaries blueprinted a new Russia, and writers, theatre directors and composers sought new means of expression for a new era. Entrepreneurs and bankers linked Saint Petersburg to Western economies, large-scale city planning projects were to prepare the city for the

20th century. The First World War and the October Revolution put a sudden end to this development.

This period, when Saint Petersburg was a laboratory of modernism, is subject of Karl Schlögel's book that meanwhile has become a classic of cultural history. The main approach of Karl Schlögel is that history literally takes place. So here again he follows the visible marks in the city that can give information about the times between 1909 and 1921. He does not describe results but developments, changes and visions with their open end until they were interrupted and eliminated by the Bolshevik regime. | **Marianne Schulze**



Karl Schlögel
Petersburg
Das Laboratorium der Moderne
1909 – 1921
704 pages, 2. revised edition 2002, Hanser
Verlag, ISBN 978-3-446-20235-1
Price: 34,90 euros

Since 2009 also available as pocket book:
Verlag Fischer (Tb.), Frankfurt am Main
ISBN: 978-3-596-16720-3
Price: 14,95 euros

Your Full-Service- Partner for Real Estate Exhibitions



Stand Design & Stand Construction
Interior Design & Production, 3D-Renderings,
Graphic-Design, Video-Productions

spacewood GmbH
Intzestrasse 12
60314 Frankfurt

Fon +49(0)69/943186-0
Fax +49(0)69/943186-20
mail: info@spacewood.de
www.spacewood.de



CEE/SEE AT EXPO REAL



From 4th to 6th October 2011 the International Trade Fair for Commercial property and Investment Expo Real takes place in Munich. Again there will be several exhibitors from Central, Eastern and Southeast Europe. Whoever has CEE/SEE in the focus, will have Expo Real as a fix date in his diary.

Nearly 100 exhibitors from the countries of the meanwhile no longer really "new" Europe will come to Munich. With 45 exhibitors, the strongest presence by far will be shown by Poland. Mainly cities and regions will present themselves at Expo Real and thus covering the whole country. Who will look not only at Warsaw but is in search of opportunities in cities and regions away from the capital will find a lot of information and contacts at Expo Real. That might be all the more interesting because Poland has become some kind of "class winner" in CEE and is estimated as a European core market.

In significant distance to Poland the second core market in CEE, the Czech Republic, is following. 16 exhibitors will come to Munich and to Expo Real. Cities

and regions are represented by Prague and Ostrava as well as by South Bohemia, the Moravian-Silesian Region and the Plzen Region. As well there will be at Expo Real a number of companies that are based and/or active in Czech Republic.

The third one of the CEE countries by exhibitors is Russia. All in all 11 exhibitors, among them the cities of Moscow and Saint Petersburg, Astrachan on the lower Volga, Kaluga, Krasnodar and Rostov on Don, will present themselves in Munich. Also the Russian Housing Development Foundation, Moskovskiy Ipotechniy Centr, the investment company O1 Properties and the project manager Sistema-A are available for talks.

Furthermore participants of Expo Real will meet exhibitors from Croatia (8) and from Serbia (6). For five other companies the Croatian Chamber of Commerce has organised a joint stand, another Croatian company will be located at the adjoining booth. The eighth exhibitor is Skipper Hoteli, the company for the Croatian resorts of Kempinski.

Serbia is represented by different investment agencies and public enterprises. Also affili-

ated to the Serbian joint stand are Voivodina, the City of Subitica and the National Corporation for Tourism Development.

Hungary (3 exhibitors) is represented by its capital Budapest, and from Montenegro and Slovenia the respective investment agencies have registered. And from Slovakia there will come two developers to Munich: Ipec Group and CC Development. | **Christiane Leuschner**



City of Moscow is attracting participants of Expo Real every year.

September 7 – 9, 2011

Trade fair and conference: ProEstate 2011

What about: This year real estate trade fair and conference "Forum ProEstate" can celebrate its five years anniversary. Having cruised successfully through the struggles of the crisis since 2007, means that this event has a good reputation in Russia. Organiser of "ProEstate" is the Guild of Property Manager and Developers in Russia.

Where: Lenexpo, Saint Petersburg, Russian Federation

For further information and registration:
www.proestate.ru

September 15 – 18, 2011

Trade fair and conference: X. International Investment Forum Sochi 2011

What about: The title can cause some irritation. "Forum Sochi" is about investments and other current topics all over Russia, not only in and around Sochi, and not only about Olympic Games 2014. Prime Minister Vladimir Putin as well as many ministers and governors are attending as well as Russian companies, cities, and regions. The program contains speeches, panel discussions, "round tables", presentations and receptions.

Where: Sochi, Krasnodar region, Russian Federation

For further information and registration:
www.forumkuban.com

September 18 – 20, 2011

7th Conference of European Regions and Cities – Connecting Economy and Politics

What about: This year the annual conference of „Institut der Regionen Europas IRE“ (Institute of the regions of Europe) deals with the „Strategy 2020 coping with the challenges of the finance and economic crisis“. As the subtitle explains, the focus is on "adaption and handling in regions and cities".

Where: Linz, Austria

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

October 4 – 6, 2011

Trade fair and conference: Expo Real 2011

What about: To introduce "Expo Real" to the property and investment community would be like carrying sand to the beach or weissbier to Munich. But be careful this year: Due to a public holiday in Germany on Monday, October 3, this year the three days of "Expo Real" will be Tuesday to Thursday for the first time.

Where: New Munich Trade Fair Centre, Munich, Germany

For further information and registration:
www.exporeal.net

November 16 – 18, 2011

Trade fair and conference: Mapic 2011

What about: In times when Mipim experienced nearly unlimited growth the organiser Reed Midem created Mapic as a spin-off for retail and retail property. Meanwhile the spin-off is a well established event for the retail industry.

Where: Palais des Festivals, Cannes, France

For further information and registration:
www.mapic.com

November 10-11, 2011

Conference: Real Estate Circle, Vienna

What about: Real Estate Circle, on stage meanwhile for the sixth time, is regarded as the autumn meeting point of the Austrian real estate industry. Topics being discussed are not only about Austria but facing international trends as well. With the strong focus of the Austrians towards Central and Eastern Europe, some special CEE/SEE topics are to be found in the programme as well.

Where: Sofitel Vienna Stephansdom, Vienna, Austria

For further information and registration:
www.businesscircle.at

November 10 – 11, 2011

Conference and workshop: City of Future – Making Heimat

What about: City of Future – Making Heim-

mat is a project jointly hosted by Goethe Institut and Deutsches Architekturmuseum. At the kick-off conference, nine architectural offices from CEE countries and nine participants from Germany will be presenting their projects on ecological and socially sustainable urban refurbishment. The follow-up workshop will focus on developing intervention strategies for local problem situations.

Where: DAM Deutsches Architekturmuseum, Frankfurt am Main, Germany

For further information and registration:
www.dam-online.de

December 1 – 2, 2011

Conference and exposition: Mall Expo

What about: Mall Expo is the annual Summit of the Ukrainian retail industry. The exposition is accompanied by a wide range of conferences, seminars and excursions.

Where: Exhibition center AKKO International, Kiev, Ukraine

For further information and registration:
www.center-tc.com

imprint

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

Layout: Silvia Bönsch, www.boenisch.co.at

Frequency of publication: monthly

Publishing House: Schiller Publishing House
Unternehmergesellschaft (haftungsbeschränkt)
Buchmühlenstr. 21, D-51465 Bergisch Gladbach

Managing Director: Andreas Schiller

Handelsregister: 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: fotolia (p. 1), ProEstate (p. 6), New Holland (p. 9), Elisabeth Koch (p. 12, p. 13), Hanser Verlag (p. 14), Lukas Barth/Expo Real (p. 15 above), Axel Schelbert.de/Expo Real (p. 15 below)

SPECIAL NICHE: STUDENT APARTMENTS



*Vladimir Volkov, MSc (RE),
Business Development Director,
Luxembourg Investment Group S.A*

Talking about real estate investments, most of us think about the "classics": office and retail property, industrial real estate and residential. All the other buildings and functions are subsumed under the headline "special real estate": hotels, infrastructure facilities like hospitals, kindergartens, schools, museums, theatres, facilities for elder people ... In a certain way a mixture of classic residential and special real estate are student apartments. With the right concept and in the right location they offer steady cash flow and good returns.

Recently, a conference of BBA – Akademie der Immobilienwirtschaft (Academy of Real Estate Business) in Berlin, was dedicated to the theme "housing for students". In Germany the theme is rather urging because Studentenwerke (organisations providing social, financial and cultural support services to students in Germany), the greatest institutions of student hostels, can offer only a small part of the necessary units. Only 12 percent of the students in Germany live in these student hostels,

and the share will decrease significantly in the future. The decision to introduce a school time shortened from 13 to 12 years caused that in the years from 2011 to 2013 in many states two age groups will get the general qualification for university entrance.

Especially first-year students, younger and foreign students prefer living in special student hostels or apartments. Demand is high, so this market niche can be quite profitable for real estate developers and investors. Furthermore, in Germany student incomes and therefore their requirements increased significantly during the last years. In demand is no longer the small, shabby 10-square metres room with common kitchen in a very great and unattractive concrete building. The students of today prefer a well-equipped single apartment that offers all the student is in need of: a pleasant interior, high speed internet access, kitchenette. And more than in former times aspects like low energy cost and ecological material play an important part. Social enquiries of Studentenwerke show that in 2009 students in Germany have an average monthly income of 812 euros. At least 80 percent have an income above 600 euros. However, there are great differences between the single German states.

In general students have to expend at least one third of their income for rents and operating costs—with increasing tendency. Again the regional differences are significant. The "most expensive" cities are Munich, Cologne, Frankfurt on the Main, Hamburg and Düsseldorf. Here in 2009 the average rent including operating costs is more than 300 euros while the average of the whole county is at 266 euros.

Although Germany was in the focus of the BBA conference, certain facts and

considerations are generally and internationally valid. Especially in university cities where living space and mainly housing for student is scarce, the construction of student apartments can be profitable. The student services can fulfil the growing and changing demand only to a very small extent. And the large gap between demand and supply offers good opportunities for real estate developers and investors. By their activity in the mid-term student apartments might become an own asset class—as it happened before with other special real estate.

In contrast to "normal" apartment buildings there are some specifics to take into account. The tenant change in student apartments is much higher. Therefore they cause more renovation and refurbishment costs. This has to be taken into account in advance and the developer and/or investor has to find solutions to keep the maintenance costs on a level as low as possible.

Another topic is that students prefer to calculate a fix amount every month for housing, literally a "flat-rate". That means operational costs should be included in the rent. At the same time the rents have to be affordable. Therefore the operational costs have to be kept as low as possible. The pre-condition is not only an energy-efficient construction of the building but as well it is necessary to develop concepts and to find solutions to avoid to a large extent an unconscious wasting by the user. The always open bottom hung window in the cold season is only one example.

Student apartments are still a niche product of the property and investment market. But as well as other niches have developed into meanwhile established asset classes student apartments may become an own segment by increasing professionalism of development and operation.