

SPH newsletter

news

News from CEE/SEE	page 2
Staffing	page 12
Lettings	page 13

special

There are only some weeks left until the 20th Expo Real takes place. What have participants especially interested in CEE/SEE to expect?
page 14

background

The Republic of Moldova is a European country, but at least in the West it seems to be relatively unknown. Now the country is presenting itself at Expo Real.
page 18

events

Exhibitions, conventions, and congresses
page 20

opinion

It has not to be always the capital, also investments into regional cities are offering opportunities.
page 21

DEAR READERS!



On 24th September in Germany elections for the Bundestag take place. Parties and politicians are currently outdoing each other in concepts for the future. Some of them concern the real estate industry, especially when it comes to housing policy. Housing is what every voter is in need of. Therefore the topic is concerning everybody. After the elections we will see, what will remain from the ideas and proposals. Many a full-throated requirements might go down in coalition negotiations.

And coalition negotiations are most likely. Me, too, I am among those who expect that CDU/CSU with Angela Merkel will achieve the first rank, followed by SPD. With these ranking given it will be exciting to see who will be number three. Because in the end it depends from the success of number three who will conduct coalition negotiations with whom.

This year we observed elections in the Netherlands and in France with high interest. Previously populist slogans increased significantly. Some topics are comprehensible and much has to do with anxieties, but others are only an act of defiance and of limited mental capacity. The result of both elections, in the Netherlands and in France, proved that populist positions are not in the majority. Let us hope that it will be the same on 24th September in Germany.

Some of you, dear readers, are citizens of other countries. But I guess that you, too, are interested in which political direction the biggest economy in Europe will take during the next election period. Hopefully, then Germany will be on a good or even better way.

Yours,

Andreas Schiller



International Business Center IBC in Prague changed hands. Built in 1993, the office building comprises 23,800 square metres of leasable area.

MINT INVESTMENT ACQUIRES PRAGUE'S IBC

Mint Investments acquired International Business Center (IBC) in Prague on behalf of a syndicate of private investors. The seller was AEW Europe. In the transaction AEW were advised by CBRE, Havel, Holásek & Partners and Mazars, while Mint Investments were advised by Mareš Partners and EY.

Built in 1993, International Business Center consists of 23,800 square metres of leasable area and 299 parking spaces. IBC is located next to Hilton Hotel, in the Karlín district.

WARBURG-HIH INVEST LAUNCHES POLAND FUND

Hamburg-headquartered Warburg-HIH Invest launches a special fund, which will invest in Poland exclusively. The vehicle created for institutional end-investors like insurances and pension funds intends to invest up to EUR 400 million in office and retail real estate. For the latter retail parks and neighbourhood convenience centre are of special interest. Locations for planned investments are Warsaw as well as mayor cities like Tri-City Gdansk, Gdynia and Sopot, Katowice, Krakow, Poznan and Wroclaw. Regarding the new and more extensive activities Warburg-HIH Invest plans to open a branch office in Warsaw.

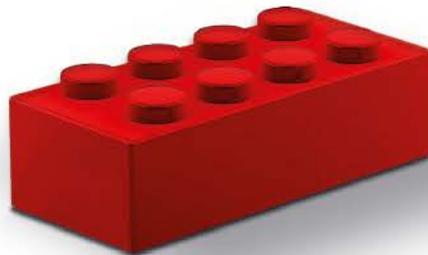
EPP CONTINUES TO BECOME A PURE RETAIL PROPERTY FUND

Echo Polska Properties NV (EPP) has finalized another acquisition – a takeover of Galeria Solna in Inowroclaw from a company owned by Libra Project and Acteeum Group. Galeria Solna was opened in May 2013 and comprises 23,500 square metres of gross leasing area as well as more than 1,000 parking lots. The value of the deal was EUR 55.4 million. Colliers International, Dentons law firm, Deloitte, and APP Projekt were EPP's advisors in the deal. JLL and Baker McKenzie law firm represented the seller.

SKANSKA: NEW OFFICE PROJECT IN BUCHAREST

Skanska invests EUR 37 million in the first phase of the office project Equilibrium located in the northern part of Bucharest. The 12-storey building will comprise 20,800 square metres of gross leasable area and 240 parking lots above- and underground. Upon completion, the entire two-building complex will offer 40,700 square metres of gross leasable area. Construction has started and is scheduled for completion in the second quarter of 2019. Equilibrium is Skanska's third office development project in Bucharest.

Think building something brick by brick is boring?



**Not when the result is something inspiring –
with the help of our financing solutions.**

Using our expertise, reliability and foresight,
we finance properties for people to work and live –
that is our mission. In Europe and North America.

<http://realestatefinance.helaba.com>

Helaba | 



Coresi Business Park in Brasov is the redevelopment of a former industrial area and offers a mix of refurbished industrial halls and newly constructed buildings.

IMMOCHAN ROMANIA BUYS CORESI BUSINESS PARK IN BRASOV

Immochan Romania buys Coresi Business Park in Brasov. Coresi Business Park consists of four renovated buildings from former industrial halls and three new ones built in the last two years. The project, situated in the proximity of a public park and Brasov railway station, is served by public transportation, and it will be directly connected to Coresi Shopping Resort and Coresi Avantgarden residential area, by a pedestrian and bicycle lane.

The office project is spread over a park of more than 15 hectares, leaving space for future development of up to 60,000 square metres of gross leasing area, over a period of 10 years.

OTP ACQUIRES WEST END BUSINESS CENTER IN BUDAPEST

OTP Property Investment Fund has acquired West End Business Center office building in Budapest from an international investment consortium comprising Wing, Morgan Stanley Real Estate Investing and CC Real. The office complex offers available office space of more than 26,000 square metres, approximately 1,000 square metres of store area and a two-storey garage hall. The refurbishment of the office building has kicked off recently, and under the agreement it will continue even after the closure of the transaction and be completed by the end of 2018.

HYTEAD BUYS BULGARIAN SHOPPING MALL

UK-based investment company Hystead Limited co-owned by Hyprop Investments Limited and PDI Investment Holdings Limited, announced the EUR 156 million acquisition by its subsidiary Balkan Retail NV of all the shares in Bulgarian company AP Retail EOOD, which owns The Mall shopping centre located in Sofia. This is Hystead's fourth South-Eastern European acquisition. The transaction will be effective upon approval of the Bulgarian competition authority being obtained. The Mall has approximately 52,000 square metres of gross leasing area with around 200 tenants. The Mall is located in the eastern part of Sofia, on Tsarigradsko Shose.

GENERALI REAL ESTATE ACQUIRES KROLEWSKA BUILDING IN WARSAW

Generali Real Estate Fund CEE has acquired the kroLEWska office building in Warsaw, developed by the Austrian S+B Gruppe AG. The kroLEWska office building is located in the heart of Warsaw and comprises around 6,000 square metres of office and retail space.



Posnania shopping centre in the Polish city of Poznan has opened in autumn 2016. It offers approximately 100,000 square metres of leasable space.

APSYS REFINANCES POSNANIA

Apsys has secured the long-term refinancing of Posnania, its new Polish flagship, with Berlin Hyp AG, ING Bank Slaski S.A., Société Générale and Deutsche Postbank AG. This refinancing is amounting to EUR 260 million in total. Already in the project's initial financing during the development phase in 2014, Berlin Hyp AG and ING Bank Slaski S.A. have been involved. In the recent transaction, Apsys and Foncière Euris, respective owners of 73 per cent and 27 per cent of Posnania, were advised by Stepling and the law firm Dentons; Linklaters represented the banking consortium Berlin Hyp AG, ING Bank Slaski S.A., Société Générale and Deutsche Postbank AG..

GOODMAN EXPANDS POMERANIAN LOGISTICS CENTRE IN GDANSK

Goodman Group completed its second warehouse at the Pomeranian Logistics Centre (PLC), increasing capacity by 36,700 square metres to a total of 88,000 square metres. PLC is located next to Gdansk's deepwater container terminal (DCT) and key road connections. The centre has been 95 per cent pre-leased by six third-party logistics companies. Now Goodman is preparing to build the third warehouse at PLC. All necessary approvals for the 36,000 square metre building have been obtained.

ERSTE ASSET MANAGEMENT BUYS 40 SUPERMARKETS IN HUNGARY

Trei Real Estate, the property arm of the German Tengelmann Group, sold a portfolio of 40 Spar leased supermarkets to Erste Asset Management. The parties did not reveal the value of the acquired assets. With the exception of two assets all the elements of the portfolio are leased to Spar Hungary on long term. The total size of the deal was in excess of 39,500 square metres, geographically spread around the entire country, including 13 locations in the capital, Budapest.

With this transaction Trei Real Estate effectively consolidated its Hungarian real estate operation. Following the disposal of its portfolio in Austria, it was the second delivery of the group on their strategic goal of selling operating properties and focusing on new developments, mostly in Germany, Poland, the Czech Republic and the USA.

TRISTAN FUND ACQUIRES AVENIR BUSINESS PARK IN PRAGUE

The EPISO 4 opportunistic fund, advised by Pan-European real estate manager Tristan Capital Partners, has acquired the Avenir Business Park office complex in Nove Butovice in Prague 5 from Lone Star for an undisclosed sum. The 25,300 square metre office complex was constructed in two phases and completed in 2004 and 2005 respectively. Lone Star was advised by CBRE and Kinstellar, while Tristan Capital Partners was advised by PwC and Allen&Overy.



Volksbanken Raiffeisenbanken
cooperative financial network



Thomas Röhrs
Fund manager, Unilmmo: Deutschland
Union Investment

The most important benchmark for assessing opportunities and risks: our product promise.

We take a forward-looking approach to investment. With experienced fund managers.

We have been making the same product promise to investors for over 50 years: dependable investment with a balanced risk-return relationship. As Germany's largest provider of open-ended real estate funds, we have the necessary experience and foresight to assess and manage risk – taking on the right amount and offsetting it over time. This enables us to leverage attractive market opportunities and optimise returns from our existing properties for the benefit of our investors. Let's invest in the future together.

Find out more about forward-looking real estate investment:
www.union-investment.de/realestate





The first phase of Sirius Offices business complex in New Belgrade was officially opened. Developed by Erste Group, the building is offering 18,500 square metres of gross office area.

ERSTE GROUP COMPLETES SIRIUS OFFICES IN BELGRADE

Erste Group officially opened Sirius Offices business complex in Belgrade. Beside Erste Bank, Strabag d.o.o Beograd has been secured as a second large anchor tenant, renting 4,000 square metres of office space. The first phase of the investment is worth EUR 40 million and comprises 18,500 square metres of gross office area. Besides office premises, Sirius Offices includes a restaurant, a shop and 230 parking places.

The complex Sirius Offices is located in the business part of New Belgrade, at the corner of Bulevar Milutina Milankovica and Antifašisticke Borbe. The second phase of the Sirius Offices project will entail the construction of 12,500 square metres gross area and additional 160 parking spaces.

OASIS REFINANCES PRIMA SHOPS IN ORADEA AND MANGALIA

Oasis Retail & Development Consulting has signed a credit agreement for EUR 8.5 million with Raiffeisen Bank Romania for refinancing their retail parks projects: Prima Shops Oradea and Mangalia.

Prima Shops Oradea is developed by Oasis in the city centre, on Decebal Bulevard, right near Kaufland hypermarket, in two phases of 5,000 square metres each. The first phase was opened in April this year. The second phase of the project is to be opened in the autumn of this year. Prima Shops Mangalia was inaugurated in the summer of 2016, in the vicinity of Kaufland hypermarket.

OCTAVA FIZAN: ACQUISITION OF 11 POLISH PROPERTIES FINALISED

Octava FIZAN has finalised the acquisition of 11 properties through the purchase of 30 entities owned by the BPH FIZ Sektora Nieruchomosci in liquidation and BPH FIZ Sektora Nieruchomosci 2 in liquidation. The new owner of the portfolio was represented by real estate advisor Savills. Disposal of BPH Fundusz Inwestycyjny Zamkniety Sektora Nieruchomosci in liquidation and BPH Fundusz Inwestycyjny Zamkniety Sektora Nieruchomosci 2 in liquidation, managed by BPH Towarzystwo Funduszy Inwestycyjnych S.A., is a key phase of the funds' liquidation process that started 29th of December, 2015. The transaction was finalised after the fulfilment of various conditions precedent and after obtaining the approval from the Office of Competition and Consumer Protection. The parties did not reveal the value of the acquired assets.

The property portfolio totalling 140,000 square metres consists of 11 office and retail buildings, including Centrum Krakowska 61, Renaissance Tower, Eureka Park complex, Viking House, Rodan, Onyx office building in Cracow, Media Markt in Chorzów and Carrefour in Bolesławiec. After the transaction Octava FIZAN holds 19 commercial real estate assets totalling 210,000 square metres of gross leasable area.



Redwood Real Estate is developing the 5,000 square metre Ecodome office building in the Buda district of Budapest.

NEW OFFICE DEVELOPMENT STARTS IN CENTRAL BUDA

Redwood Real Estate Holding (formerly known as B&L Estates), a Hungarian real estate developer has recently started the construction of the 5,000 square metre Ecodome office building on a speculative basis. The construction of this new property is done by Swietelsky while Cushman & Wakefield acts as the exclusive leasing agent of the scheme. Ecodome, located in the Central Buda office submarket, is planned to be completed in Q2 2018.

EBRD AND BCR FINANCE BUCHAREST LOGISTICS PARK

The EBRD and Banca Comercială Română (BCR) SA, a member of Erste Group, are joining forces to finance the expansion of the logistics park CTPark Bucharest West, some 20 kilometres away from the Romanian capital. The financiers have arranged a package of EUR 75.8 million – the EBRD is providing EUR 36.7 million and BCR EUR 39.1 million. BCR also acted as mandated lead arranger, documentation, facility and security agent.

The 100-hectare park is operated by the Romanian unit of the real estate developer CTP. BCR's facility will refinance an existing loan for CTPark Bucharest West and the EBRD's funds will finance the development of two new warehouses of over 70,000 square metre leasable area.

ARCONA BUYS SZCZECIN OFFICE BUILDING

Arcona Capital has finalised the acquisition of the Maris office building in Szczecin from Bywater Properties for approximately EUR 8.9 million. Following this acquisition, Polish assets now account for 40.5 per cent of the portfolio of Arcona Property Fund. Maris, built in 2006 and located in the city centre, is a six-storey building offering over 5,400 square metres of leasable space and 119 underground parking spaces.

KGAL ACQUIRES TWO OFFICE BUILDINGS IN BUDAPEST

KGAL has acquired the Kálvin Square and CityZen office buildings in Budapest from Europa Capital. Both properties will become part of a special AIF operated by KGAL. The Kálvin Square office building is located in the historical old town centre at Kálvin tér. This building has nine above-ground stories, a rentable area of 9,432 square metres and 114 underground parking spaces. CityZen office property, with a rentable area of 12,683 square metres and 144 underground parking spaces, is in the core area of the Váci Corridor, the largest office submarket in Budapest. The building underwent a complete overhaul in 2015/2016.



Messe München

Connecting Global Competence

Your next big project.

Make it real—at EXPO REAL 2017.

With more than 1,800 international exhibitors Europe's largest trade fair for property and investment brings together the who's who of the industry. This results in the ideal environment for finding new projects and lucrative networking.

Secure your Online Ticket now

Purchase your ticket now and enjoy the benefits.
exporeal.net/tickets

exporeal.net

20th International Trade Fair for Property and Investment
October 4–6, 2017 | Messe München

**expo
real**



CPI Property Group acquired Kralovo Pole shopping centre in the Czech city of Brno. The shopping centre offers 26,500 square metres of gross leasing area.

ACQUISITION OF KRALOVO POLE SHOPPING CENTRE IN BRNO

CPI Property Group has acquired Kralovo Pole shopping centre in Brno from Aerium. The purchase price was undisclosed. Kralovo Pole shopping Centre was built in 2004 by Carrefour and comprises a total of 26,500 square metres gross leasing area and 900 parking spaces. The hypermarket was originally anchored by Carrefour until 2007, when it was taken over by Tesco. Kralovo Pole shopping centre offers development potential having a valid building permit in place for a further 12,000 square metres gross leasing area expansion.

PRIMAVERA DEVELOPMENT TO CONSTRUCT NEW MALL IN SIBIU

Real estate company Primavera Development has obtained the approval from Sibiu City Hall for the construction of Festival Centrum shopping centre on the plot of the former Simerom factory. Festival Centrum will have a gross leasable area of 42,000 square metres and will be anchored by a Kaufland hypermarket. Completion is scheduled for 2019.

STRABAG TO RENOVATE HISTORIC EIFFEL HALL IN BUDAPEST

The construction company Strabag has been chosen to renovate Budapest's historic Eiffel Hall on behalf of the Hungarian State Opera. The contract value is divided into a fixed portion of HUF 8.6 billion (EUR 28 million) and an option portion of HUF 3.1 billion (approximately EUR 10 million).

The Eiffel Hall was originally built in 1886 as a repair shop for the Hungarian state railways. Once the renovations are complete, the building will not only serve as a rehearsal space for the Hungarian State Opera and the Erkel Theatre but will also be used for workshops, opera studios as well as costume and decorations storage. Additionally, the Eiffel Art Studio will offer a home to the Bánffy Theatre with 340 audience seats, an orchestra pit and corresponding acoustics.

CORDIA TO DEVELOP RESIDENTIAL UNITS IN BUCHAREST

Futureal subsidiary Cordia has re-entered Bucharest with a 400 apartment project to be built on 13 plots with an area of 15,336 square metres. The land near Romexpo, World Trade Center and ANL Romexpo Residential Complex was purchased at an auction with financing from Alpha Bank. Local site conditions allow for the construction of buildings of up to eleven storeys high. Each apartment is to have between one and four rooms with a total useable area of around 34,000 square metres.



Krisztina Palace in Budapest was the last Hungarian property that was owned by one of the funds of Union Investment. Now the office building has been sold to a fund of Erste Group.

UNION INVESTMENT SELLS OFFICE PROPERTY IN BUDAPEST

Union Investment has sold the 18,000 square metre office property Krisztina Palace in Budapest. The property is situated in the Buda district, close to the major underground station Déli Pályaudvar, was acquired in 2008 as a development project and has been part of the portfolio of the open-ended real estate fund Unilmmo: Globalever since. The property has been purchased by the Erste Open-Ended Real Estate Investment Fund. CBRE brokered the transaction and the legal firm CMS provided legal advice. Following the sale of Krisztina Palace, Union Investment no longer has any Hungarian properties in the portfolio of its funds.

PBB: REFINANCING OF GALERIA POMORSKA IN BYDGOSZCZ

pbb Deutsche Pfandbriefbank has provided a senior refinancing facility, in an amount of EUR 64 million, to a company managed by Resolution Real Estate Advisors on behalf of one of its funds. pbb acted as arranger and sole lender under the facility.

The facility refinances the acquisition of the Galeria Pomorska shopping centre in Bydgoszcz, as well as the construction of an extension. Galeria Pomorska has been built in 2003, and extended and refurbished in 2015. It now comprises about 30,000 square metres of retail space and is anchored by a Carrefour hypermarket through a co-ownership structure.

NEXT PHASE OF BUSINESS GARDEN WROCLAW STARTED

Vastint Poland has appointed Hochtief Polska as the general contractor of the second phase of Business Garden Wroclaw. Under the contract, six office and service buildings with a total leasable area of approximately 79,000 square metres are to be built. Construction works already started and will end in November 2019.

CONSTRUCTION START FOR OFFICE BUILDING CORVIN 5 IN BUDAPEST

Futureal Group has started the construction of Corvin 5 office building in Budapest. The first phase of the building is expected to be completed by the end of 2018. The complex is valued at EUR 90 million. The 27,000 square metre office complex will be located in the eastern side of Corvin Quarter in the immediate vicinity of Nokia Skypark office building. Erste Bank grants credit of more than EUR 45 million with a repayment period of 10 years for the Corvin 5 project. The first phase of the complex will offer 14,200 square metres of gross leasing area, while its second phase will have 12,800 square metres of gross leasing.



Sagittarius Business House in Wrocław will change ownership before its completion. Warburg-HIH Invest Real Estate will acquire the office scheme from Echo Investment.

WARBURG-HIH TO ACQUIRE SAGITTARIUS BUSINESS HOUSE

Warburg-HIH Invest Real Estate will acquire the Sagittarius Business House office scheme in the Polish city of Wrocław on behalf of an individual fund it manages for an institutional investor. The property is being sold by the Polish property developer Echo Investment. The building, which is under development and which will have a gross lettable area of around 25,000 square metres, is scheduled for completion in the first quarter of 2018. The Sagittarius Business House is located at the junction of Borowska and Sucha Street in direct proximity to Wrocław central railway station.

STAFFING



*left: Steffen Friedlein
right: Andreas Hohlmann*

Steffen Friedlein, who has been responsible for the leasing of the centres in Germany as Senior Director Germany until now, is to become Managing Director Leasing at ECE. He succeeds Klaus Striebich who will retire from his post as Managing Director Leasing at ECE for personal reasons at the end of the year. Steffen Friedlein started his career at Kriegbaum Unternehmensgruppe in Böblingen. Steffen Friedlein has been with ECE since April 1999 where he first worked as Leasing Manager for DEZ Kassel and Altmarkt-Galerie Dresden. He then moved on to centres in Karlsruhe and Schweinfurt before he was appointed Regional Director for the newly created Northwest region in 2008. After being responsible as Regional Director for two other regions, Steffen Friedlein became Senior Director Leasing for North Germany, the Czech Republic, Hungary, and Italy at the beginning of 2013. Since 2014, he has been responsible for the leasing of all centres in Germany.

Andreas Hohlmann will be new CEO of Unibail-Rodamco GmbH as of October 1, 2017. Andreas Hohlmann is an industrial engineer of the Technical University Berlin and the University of Technology Sydney. Previously, he worked at ECE in different executive positions in Germany and in various international markets, at last as Senior Director Development of ECE Group and as CEO of ECE Turkey.



Martin Löcker

Martin Löcker, long-standing Member of the Managing Board of UBM Development and responsible for all activities outside Austria, is new COO of the company. His appointment is part of the reorganisation of the Managing Board of UBM Development. This also includes that Thomas G. Winkler, so far CEO and CFO, handed over the position of CFO to Patric Thate as of 1 July 2017. Patric Thate so far filled the position of Head of Finance and Member of the Executive Committee of UBM. In the new constellation Michael Wurzinger will pursue tasks outside the company. He resigns from UBM in full mutual consent upon the scheduled expiration of his contract in February 2018. Andreas Zangenfeind will take over responsibility for "Transactions" and will report directly to the CEO in the future.



LETTINGS

WATERSIDE, GDANSK

POLAND 

LPP, an international clothing company, has once again decided to expand its office in the Waterside building. It is their second expansion in Gdansk. This time, the tenant leased an additional 450 square metres. Knight Frank, sole agent and property manager, acted on behalf of the property owner, a fund of Deka Immobilien, in the leasing process. Waterside is a five-storey office property with a retail ground floor and fully modernized interiors with a total lease area of 9,000 square metres. The building is located in Długie Ogrody street in the direct vicinity of the Old Town, the yacht marina and many financial institutions. The property offers easy access both by public transportation and by car.

GALERIA LIBERO, KATOWICE

POLAND 

The group of tenants of Galeria Libero has been joined by the American Guess chain and by H&M. Guess will occupy 300 square metres in the project which is developed by Echo Investment. The shop of the Swedish brand will have an area of 1,800 square metres. The construction of Galeria Libero is currently under construction at the junction of Kosciuszki and Kolejowa streets. It will comprise 45,000 square metres of gross leasing area. Its opening is planned for the spring of 2018.

PANATTONI PARK PRUSZKOW II

POLAND 

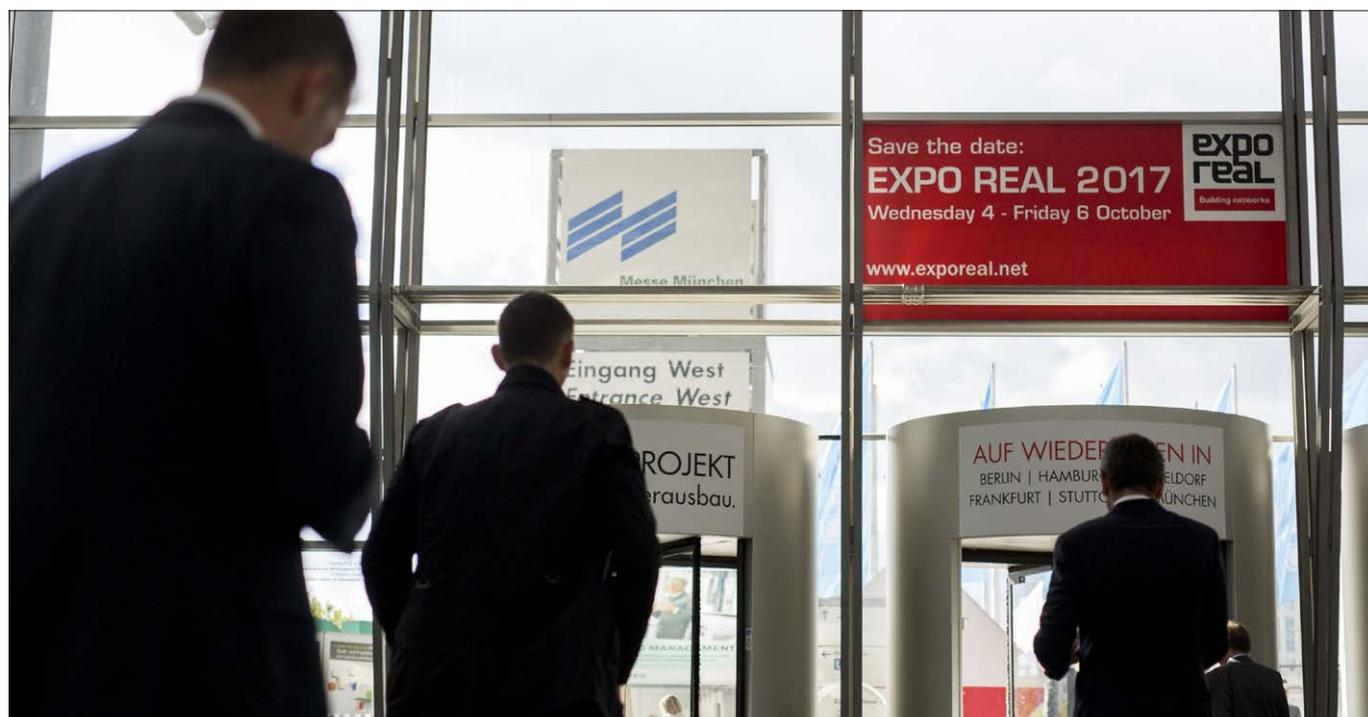
Deka Trans has signed a lease for nearly 5,000 square metres – with possibility of expanding up to 6,500 square metres – of warehouse and office space in Panattoni Park Pruszkow II. Axi Immo has represented the tenant in the negotiations. Deka Trans is the first tenant that has moved to the newly constructed building of Panattoni Park Pruszkow II. The recently inaugurated building in Panattoni Park Pruszkow II is located at the western edge of Warsaw urban area, next to the A2 motorway junction and near the national road No. 2 (Warsaw-Poznan). Ultimately, the park will comprise three warehouse buildings, totalling 69,313 square metres of space. To date, two out of three building have been constructed.

KOMANDORSKA 12, WROCLAW

POLAND 

Komandorska 12, an office building in Wrocław, has gained new tenants. Systra – the Polish division of a French group on the markets of railway and public transport infrastructure – has decided to lease space in the scheme. Previously, the building became the new office address for Epiq Systems – an American company in the areas of technology and legal services – as well as Randstad – a Dutch company which provides recruitment and HR outsourcing services. Komandorska 12 was delivered to market in February 2017. The PZU Investment Fund is both the investor and property owner of the building. JLL is responsible for the commercialization of the project. The building offers approximately 4,000 square metres of office space and consists of six floors above ground and one below which serves as a parking lot. Komandorska 12 is located just five minutes from Dworzec Główny PKP station and the new Dworzec PKS station as well as being in close proximity to numerous tram and bus lines.

EXPO REAL 2017 IS COMING SOON



In some weeks only the international property industry will meet at Expo Real 2017 in Munich.

There is not much time left until on October 4, 2017 the 20th Expo Real is opening its doors. Then for three days the real estate industry will gather in six halls, in the courtyards between the halls as well as in the atrium. But what have participants to expect in the Halls A1, A2, B1, B2, C1 and C2?

Generally overcrowded halls because all the six halls are fully booked by exhibitors. A total of 1,833 exhibitors from 32 countries are already registered (18. August 2017) and the list of countries of origin ranges from Australia and Austria to United Arab Emirates and USA. That German exhibitors are the majority is undisputed and in a certain sense 'natural' for a fair taking place in Munich.

Expo Real is meanwhile not only the biggest European Trade Fair for Property and Investment, but as well the preferred plat-

form where many exhibitors from Central, Eastern and South-Eastern Europe are presenting themselves – some for the first time, others showing repeated presence. Some 100 exhibitors from CEE/SEE including Russia and Turkey are registered in the exhibitor list. Participants especially interested in these countries have the advantage that – with only some exceptions – these exhibitors are concentrated in Hall A1 and A2.

The strongest group of exhibitors from CEE/SEE comes from Poland (44 exhibitors), followed by those from Romania (18 exhibitors) and Hungary (17 exhibitors). In a certain way these figures are reflecting the international interest in the respective countries. Poland as the biggest and economically strongest country in CEE attracted the lion's share of international investments until end of last year. Now things have changed a bit: in the first half of 2017 Czech Republic – with

8 exhibitors present at Expo Real and therefore number four of the CEE/SEE countries – has surpassed Poland by real estate transaction volume (Czech Republic: 37 per cent of the total transaction volume of EUR 5.6 billion; Poland: 29 per cent; Hungary: 13 per cent). And Romania is currently the country with the highest economic growth rates within the EU and therefore attracting more interest.

To start with the Polish exhibitors: mainly Polish cities and regions are exhibiting at Expo Real and all of them are located in Hall A2.

The central point – literally and figuratively – is the City of Warsaw (A2.121). Who recently has been in the Polish capital experienced the construction boom that is taking place there. The interest of those wanting to invest in real estate in Warsaw is high. Co-exhibitors at the Warsaw stand are Bank Zachodni WBK



The majority of Polish exhibitors at Expo Real are cities and regions of the country.

and the development companies Echo Investment, Ghelamco Poland, Golub GetHouse, HB Reavis Poland, Karim-pol Poland and Mayland Real Estate as well as the residential developer OKAM Capital. Further partners are the construction management company cmT and White Star Real Estate offering development and management services. All these companies are active in Warsaw.

However, Echo Investment together with Griffin Real Estate, majority share holder of the company, has also its own stand (A2.134). The same is true with HB Reavis (A2.126), a developer of Slovakian origin, but meanwhile expanding not only into other CEE countries but also into Western Europe. Skanska Commercial Development is no partner at the Warsaw stand, though quite active in the city, but has its stand directly opposite to the Polish capital (A2.222).

As in the year before also this time the Military Property Agency (A2.011) is present and wants to market facilities and areas no longer required by the Polish military.

Most of the Polish cities and regions are already familiar exhibitors, but there are also some newcomers and something to discover. On stand A2.014 will present the city of Bełchatów that is located south of Łódź and has the largest coal fuelled thermal power plant in Europe. At the same stand also Łódź Special Economic

Zone will exhibit, It is extending over three regions – Łódź, Masovia and Greater Poland – with one part located also in the area of Bełchatów. The third partner at the stand is the Municipality of Opoczno, a town also located in the Łódź Region. And in the direct neighbourhood the City of Łódź (A2.020) will present itself.

Actually, the town of Zdunska Wola is also part of the Łódź Voivodeship, but prefers to be at Expo Real with an individual stand (A2.034). The town with some 43,000 inhabitants is located 60 kilometres south of Łódź on E67, the Via Baltica, running from Tallin via Riga, Kaunas to Warsaw and from there to Wrocław and Prague.

Like Łódź and its Voivodeship also the city of Poznań (A2.023) and Wielkopolska Region (A2.030) have two separated stands. Wielkopolska Voivodeship is presented by the Marshal's Office – the state government – as well as by the Association of Local Authorities Wielkopolska and the Association of Wielkopolska Municipalities and Counties, both forming – together with the Polish Agency for Information and Foreign Investment – the Investor Assistant Centre. Main goal of the Investor Assistant Centre is to promote investments and economic development of the municipalities in the region. Three of these municipalities are also present in Munich: the town of Srem together with Economic Union of Srem Region – Srem Centre of Supporting Small Business;

Stare Miasto near Konin; and Wrzesnia, 50 kilometres east of Poznań.

The same constellation of regional capital city and Voivodeship the visitor will find with Krakow (A2.120), Poland's second largest city, and Malopolska Region (A2.122). To be 'solists', however, is preferred by the City of Szczecin (A2.032) and by Wrocław with its Wrocław Agglomeration Development Agency (A2.533).

City of Gdynia and City of Sopot (A2.332) have formed a stand joint venture with Pomerania Development Agency and Pomeranian Special Economic Zone. Pomeranian Special Economic Zone comprises of 30 subzones located in Pomeranian Region (capital city Gdansk), in Kujawsko-Pomorskie Region (with the capital cities Bydgoszcz and Torun), in Zachodniopomorskie Region (capital city Szczecin) and in Wielkopolskie Region (capital city Poznań). Another co-exhibitor at the stand is Rumia Invest Park Ltd. Rumia is a town with nearly 50,000 inhabitants, located 10 kilometres away from Gdynia and 30 kilometres away from Gdansk, near E28 leading from Minsk via Kaliningrad Oblast and Lithuania via Poland – Elbląg, Gdansk, Gdynia, Słupsk, Koszalin and Szczecin – to Berlin.

As often stated smaller Polish cities and town have difficulties to attract investments. That is also proved by the fact that

at Expo Real cities and towns are presenting themselves not everybody is familiar with. Among these there is also to name Ogródzieniec in Silesia (A2.036), noted for the ruins of a medieval castle and for its leisure park.

Two companies, quite active in Poland but not restricted to the country, have

but as well the Cargo City project and the development potential of the airport surroundings. Already an 'acquaintance' from last year's Expo Real is Városliget Zrt. with the project Liget Budapest, the renovation of the 200-hectares park in the inner city of Budapest where also some new museums and other cultural facilities will be located.

Who is missing and not to find in the direct surroundings, but in hall B2, is Trigranit (B2.022), a Hungarian developer by origin, but meanwhile also active in Poland and Slovakia and two years ago, taken over by TPG Real Estate.

But back to the A-halls and this time especially to Hall A1: Here are mainly exhibitors from SEE located – Bulgaria, Moldavia and Romania. The Bulgarian stand (A1.012) is – like in former years – organised by AHK Bulgaria (German-Bulgarian Chamber of Industry and Commerce): here will be present East Ring Logistic Park near Sofia, a development of Glorient specialised in big box retail and logistics facilities; and Galaxy Investment, a Bulgarian investment and development company.

Exactly beside Bulgaria the Republic of Moldova or more exactly: the Moldova Investment and Export Promotion Agency (A1.010) is located. It is the first time that this country is present at Expo Real (see also page 18).

Romania is showing double presence at Expo Real. On the one hand, with the City of Cluj-Napoca and Cluj County (A1.523), on the other hand with a big joint stand (A1.234), organised by AHK Romania (German-Romanian Chamber of Industry and Commerce). This year also Transylvania Evolution SRL joined the Romanian stand. Lasts year they 'played a solo' at exactly the same position this time Cluj and Cluj-Napoca are presenting themselves.

There is a wide range of cities and regions at the Romanian stand, however, with a clear focus on the north-eastern part of the country. Different to central and western Romania this part did not yet benefit from the economic improvement. Besides the North-East Regional Development Agency it is the City and County of Botosani, located in the north-east of the country between Eastern Carpathians, the Republic of Moldova and Ukraine; City and County of Iasi, bordering to Botosani in the south; Suceava, west of



Present at Expo Real again: Hungarian exhibitors at the Budapest joint stand.

also registered: Globe Trade Centre S.A. (B1.132) and Panattoni Europe (C2.230). GTC is developing mainly office buildings and shopping malls also in Bulgaria, Croatia, Hungary, Romania, and Serbia. Panattoni Europe is headquartered in Warsaw and developer of logistics and industrial property, mainly in Poland, but also – on a minor scale – in Czech Republic, in Slovakia and Romania as well as in Western Europe in Germany, Luxembourg and UK.

But to stay in Hall A2: Here also Budapest has a big joint stand (A2.411). Organised by Budapest – Real Estate Developers, it gathers the Hungarian Investment Promotion Agency, on its homepage promoting also investments in the area of "Real Estate and Tourism"; Budapest Airport, presenting not only the expansion of the international airport Liszt Ferenc,

Also in Hungary – or better: in Budapest – the development sector is booming. Demand for investment property is high, while supply is small despite the high construction activity. Many projects are changing hands already at a very early stage of development. Therefore at the Budapest stand there are also to find the internationally known developers Atenor Group, Futureal, Horizon Development and Wing as well as the respective service providers like Granit-Polus Management and the law firms Knight Bird & Bird Iroda, Köves and Partners and Oppenheim Ügyvédi Iroda. Who also joined the stand is Colliers International Hungary, now exactly 25 years active in this market. While CBRE with his offices and companies in CEE/SEE is concentrated on the CBRE stand (A1.210), the Hungarian company also takes part in the Budapest joint stand.

Botosani, with the Municipality of Siret, a town located only 2 kilometres from the Ukrainian border; Neamt, south of Suceava and west of Iasi; and Bacau, also located in the Eastern Carpathians and south of Neamt. Bacau is the biggest city in the Moldova region to which – except Suceava which is part of the Southern Bukovina – all the named cities and regions belong.

On the same latitude, but in the west of Romania Oradea is situated. With its Oradea Local Development Agency the city is also present at the Romanian stand. But AHK Romania did not only gather local authorities. Other partners at the stand are REC Centrul Regional de Protectie a Mediului România,, a NGO, taking part in the European Danube Transnational Programme, but also generally promoting more sustainability in life and economy; Plana-Innova, a construction company headquartered in Essen, active in the field of industrial and civil engineering as well as in renewable energy projects and present also in Romania since 2006; as well as WDP Development, developer of industrial and logistics property.

Also from Romania Geiger Group Romania S.R.L is registered at stand (A1.234). The Romanian subsidiary of the German Geiger Group is offering construction and renovation and waste disposal services for clients in the area of infrastructure, real estate and environment. Because the mother company has its own stand at Expo Real (A1.423), the Romanian subsidiary is to find there also.

From Hall A1 it is no long way to hall B1 where the stand of Moscow City Government is located (B1.112). Traditionally Moscow is accompanied by several companies, but they can be 'discovered' only during the fair because they are never registered in advance. Also from Russia, but with a single stand present is Biganto Visual (B1.533). Unfortunately the company's homepage is only in Russian and therefore not really enlightening. But there you can visit an apartment online and stroll through all rooms.



Again there will be a panel discussion about the Romanian real estate market.

Also in Hall B1 there is to find from Czech Republic Plzen Region (B1.531), CTP Invest (B1.141), developer of industrial property and business parks first in Czech Republic, but meanwhile expanding into Slovakia, Hungary and Romania, as well as P3 Logistic Parks (B2.300), in CEE mainly active in the Czech Republic and in Slovakia, but also in Poland and Romania.

This year the City of Prague will not be present at Expo Real, but the City of Ostrava and the Moravian-Silesian Region, the City of Brno and the South Moravian Region (C1.111) form a joint stand in which also the law firm PRK Partners takes part.

But once more we have to return to the B halls to meet the only Turkish exhibitor Parkolay (B1.545) from Istanbul. The company's business are car parks where given the small amount of space in cities the cars are piled up, a solution that can make sense also in other cities.

To Hall B2 should go those interested in Slovenia: Here Invest Slovenia – SPIRIT Slovenia, Public Agency of the Republic of Slovenia for Entrepreneurship, Internationalization, Foreign Investments and Technology is the contact point (B2.410).

Besides all this more or less individual information about locations and companies the fair is also offering more general information about some CEE/SEE markets. On the first day (Wednesday, 4. October 2017) in Investment Locations Forum (A1.140) the focus is on Hungary (11:00 – 11:50) and Poland (12:00 – 12:50). And in the afternoon Romania (16:30 – 17:30) is on the agenda in the Discussion & Networking Forum (A1.250). Afterwards a reception at the stand of Romania (A1.234) is offering the opportunity to discuss certain topics individually.

There is also to mention another event, not CEE-related, but anyway interesting for everybody. Since some years in Expo Real Form (A2.540) the last day of the fair (Friday, 6. October 2017, 10:00 – 12:00) is dedicated to 'Masterminds'. And this year it is the American economist and Nobel laureate Professor Dr. Joseph Stiglitz who will speak about "Uncertainties in Economics and Politics: What matters? What is the influence for real estate?", followed by a discussion with other 'masterminds' of the international real estate community. When do you have the opportunity to listen to a Nobel laureate? At least at this year's Expo Real. | **Marianne Schulze**

EUROPE'S UNDISCOVERED COUNTRY: MOLDOVA



The Republic of Moldova is present at Expo Real for the first time: a good opportunity to learn more about the country.

For the first time the Republic of Moldova is present at Expo Real. MIEPO Moldovan Investment and Export Organization as the main exhibitor will attract investors and developers to become active in the country – not the easiest task given the fact that the Republic of Moldova is more or less out of the radar of the international real estate community.

Moldova? Oh yes, somewhere in the southeast of Europe. And depending on individual interests to the one the violinist Patricia Kopatchinskaja comes to mind, the other knows something about Moldavian wines, and the third mentions the conflict about Transnistria. But that is mostly all people know about this European country. That gives us more than enough reason to have a closer look to the Republic of Moldova.

With an area of 33,843 square kilometres Moldova ranges between Belgium and Switzerland by size. That does not

change even when excluding the narrow strip of Transnistria (about 3,500 square kilometres) that itself proclaimed an independent country but is unrecognised by any United Nations member states.

The Republic of Moldova has some 3 million inhabitants, i.e. population density is approximately 100 people per square kilometre. That means that the Republic of Moldova is more densely populated than Spain or Turkey.

The country is extending more than 350 kilometres from north to south and 150 kilometres from west to east. It borders on Romania in the West and to Ukraine in the north, east and south. Therefore Moldova has no direct access to the Black Sea, but in the south near Giurgiulesti it borders on the Danube on a length of 500 metres.

In former times the country was part of the Principality of Moldavia, the western

part of it today belongs to Romania. In the 19th century the eastern part came under Russian influence and later on it became one of the Soviet Socialist Republics of the Soviet Union. In 1991 Moldova declared its independence. The former strong relationship to today's Romania is one of the reasons why the official language in the country is Romanian. But still many people are also speaking Russian.

With 723,000 inhabitants the biggest city in the country is the capital Chisinau. It is also the centre of food and textile industries, two of the main industry sectors in the Republic of Moldova. By the Transnistria conflict after the independence, but as well by political conflicts about the development direction of the country – political and economic reforms and orientation to the EU or not – the economic development of the country was delayed. Meanwhile Moldova has politically stabilised and signed the As-

sociation Agreement with the European Union in 2014. Furthermore the establishment of a Deep and Comprehensive Free Trade Area DCFTA is agreed.

The orientation to the West and to the EU has good reasons: The EU is the most important trade partner of the Republic of Moldova: More than 65 per cent of all Moldavian exports go into the EU, only 20 per cent into the CIS countries. And imports originate by nearly 50 per cent from the EU and by 25 per cent from the CIS. A similar imbalance is to note with foreign direct investments: in 2016, they amounted to USD 143.14 million, more than the half coming from EU countries and only 11 per cent from the CIS.

To increase the investment activity is the main aim of MIEPO at Expo Real. To facilitate investments, Moldova presents a total of seven Free Economic Zones (FEZ) spread all over the country. For production companies that want to establish plants the FEZ offer better infrastructure and tax incentives, and for developers of industrial and logistics facilities they offer good opportunities.

Although economy in Moldova is growing – in 2016 by 4 per cent and for 2017 a GDP increase by 3,5 to 4,5 per cent is forecast – the country needs support to catch up with the other European countries and to improve its living standards. This is important to stop the strong emigration the country experienced. Approximately 800,000 people left Moldova in search of better living conditions and that means also a severe brain drain.

There are some sectors in Moldova offering good opportunities for investors. The first sector is agriculture and food industry. The very fertile black-coloured soil containing a high percentage of humus as well as the climate favour fruit- and vine-growing and the cultivation of grain and vegetables. An example for international investments in this sector is Südzucker AG, Europe's largest sugar producer. The company entered the

market in 2001 and has today 3 plants producing about 53.5 thousand tons of sugar yearly.

Another traditionally strong sector is textile, apparel, footwear and leather. In this sector more than 26,000 people are



Fertile black soil and the climate in Moldova are favouring agriculture.

working and 80 per cent of the goods manufactured in the sector Moldova exports. Meanwhile companies from Italy, Germany, Netherlands, France, Austria, Belgium, and UK produce in Moldova.

With energy supply the country is depending on Russian gas. Therefore renewable energies have high priority. Climate conditions for the use of solar energy are optimal, and agriculture provides renewables (agricultural wastes) for biogas production and biomass power plants. In the development of the renewable energy sector Moldova is supported by the EU and technical assistance to the projects is provided by Fichtner, a leading German engineering and consulting company.

In recent times automotive suppliers are forming a growing sector in Moldova. For example, the American Lear Corporation, the German company Dräxlmaier and the Austrian group Gebauer & Griller have established own plants there. They benefit from the low labours cost – the average monthly income is at

EUR 200 – and from the skilled labour force that is – like in Romania – often multilingual. Another advantage of Moldova is that from here EU as well as CIS can be supplied – the EU by the above named agreements, the CIS because Moldova itself belongs to this group of

countries. So Moldova is forming some kind of bridge between the two communities of states. This characteristic makes the country interesting also for trade and logistics. However, the challenge is the infrastructure still in need of improvement. That is not only true for the transport network itself but also for the respective logistics facilities.

There are many good reasons to take advantage of the presence of the Republic of Moldova at Expo Real and to explore the opportunities the country is offering. Like with Romania – both, Romania and Moldova have a long time of history in common – prejudices are several, knowledge, however, much smaller. And the Republic of Moldova continues to improve conditions for international investments. So in the most recent Economy Ranking of World Bank the country rose to rank 44 in the areas of "Ease of Doing Business" and "Starting a Business" – that means that in both areas Moldova ranks better than for example Italy. | **Marianne Schulze**

FOR YOUR PLANNING

When	What about	Where	For information and registration
8. September 2017	RICS: Cross-Border Investments in D-A-CH: Markets, Assets, Opportunities	Erste Campus Conference Center, Am Belvedere 1, Vienna, Austria	www.rics.org/de
12.–14. September 2017	RealCorp 2017 22nd International Conference on Urban Planning and Regional Development in the Information Society	Technische Universität Wien, Karlsplatz 13, Vienna, Austria	www.corp.at
19. September 2017	CEE Property Forum 2017	Hotel Park Royal Palace, Schlossallee 8, Vienna, Austria	www.property-forum.eu
24.–26. September 2017	13th Conference of European Regions and Cities: "Next Generation"	Salzburg Congress, Auerspergstraße 6, Salzburg, Austria	www.institut-ire.eu
4.–6. October 2017	Expo Real 20th International Trade Fair for Property and Investment	Messe München, Munich, Germany	www.exporeal.net
13. October 2017	24th ERES Industry Seminar Real Estate Derivatives Summit 2017	Prime Tower, Hardstrasse 201, Zürich, Switzerland	www.eres.org
8.–9. November 2017	IRE Logistics and Transport – Intermodality & cross-border facilitation	Rijeka, Croatia	www.institut-ire.eu

INVESTMENTS IN THE REGIONS



*Cristian Macedonschi,
Member of the City Council Brasov
for the German Forum and
President of Smart City Brasov*

Often investors decide to invest mainly in the capital city of a country. Therefore in Romania – the country where I live – the focus is on Bucharest – like in Austria on Vienna, in UK on London and in France on Paris. In Germany it is also the capital Berlin that attracts, but also other big cities like Munich, Frankfurt and Hamburg. But why focussing only on big ones?

Brasov for example is clearly smaller than Bucharest and has – to date – not yet an international airport. But its structures are more easier to understand and more definite, ways are short, labour costs are quite low, and furthermore the city is located in an attractive landscape.

These characteristics are true not only for Brasov and other Romanian cities offside Bucharest, but also for many other cities in other countries. When it come to real estate investments, something else is to add: when plots and buildings in capital cities are in strong demand, prices increase substantially. Therefore low volatility in secondary and even tertiary cities can be an advantage. Markets there are not overheated, so there is less uncertainty.

To date locations apart from capital or big cities attract mainly real estate investments in the areas of retail, residential and logistics. But also for investments in office and mixed-use buildings these locations can offer good opportunities. Because meanwhile laptops, tablets or even smart phones are sufficient for communication and data handling. Therefore it does not matter, where I work. The only thing decisive is internet access. In municipal planning the access to public transport is important in many aspects: in the traditional meaning of motorways, railways and airports, but also in the broader sense of access to information highways. For these information highways Brasov for example has established the necessary infrastructure and thereby gained high attractiveness for the IT sector.

For some investors it requires some courage not to follow the mainstream. However, locations apart from the capital city have their advantages. It makes a differ-

ence to be the number one or at least part of an only small group of investors in a small city or to be one of many others in a big city. Real estate investments in the regions often attract a greater attention and interest.

That is why some investors are already following the so called ABBA strategy. A for prime assets in B locations or B assets in A or prime locations. In a country with a polycentric structure like Germany or Poland it seems to be an easy decision. But meanwhile also in UK investments in cities like Manchester and Edinburgh are increasing.

With residential it is a bit different. In this area two phenomena are playing an important role. There is both, migration into the cities and outmigration from cities. The ones want to leave the big cities for a calmer live in the countryside, the others, mainly younger people prefer the vibrant urban life. Often it is a question of financial means – life in the countryside is usually of lower cost than in the big cities.

But cost of living is not the only decision criterion. Mainly the location in the region has to be attractive. Only when cities and towns have a certain attractiveness, (young) people will stay there. Linked with a good image and the respective industrial and settlement policies a location will also attract investments and perhaps even new inhabitants.

imprint

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

Layout: Silvia Höggl, www.diehoggl.at

Frequency of publication: eight times a year

Publishing House: Schiller Publishing House
Unternehmensgesellschaft (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

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: Ingo Bartussek – Fotolia.com (p. 1), Frank Boston – Fotolia.com (p. 13), Christian Hartlmaier – Messe München GmbH (p. 14), Alex Schelbert – Messe München GmbH (p. 15 left, p. 16), Jorge Lazar – commons.wikimedia.org (p. 15 right), AHK Rumänien (p. 17), markuk97 – Fotolia.com (p. 18, above left), Calin Stan – Fotolia.com (p. 18 below left), Balate Dorin – Fotolia.com (p. 18 right), Jakub – Fotolia.com (p. 19)