No. 57 | March 2018

SPH newsletter

news

special

background

best practise

events

opinion

DEAR READERS!

The contrast between topic and location could hardly be greater. This year, the international property fair Mipim is themed "Mapping World Urbanity". With this topic one thinks of metropolises, cities with millions of inhabitants, at least of capitals and big cities. However, since more than 20 years Mipim takes place in Cannes. The city in Southern France has only 75,000 inhabitants. In comparison with the nearby city of Nice, and even more with Paris the urban structure of Cannes is clear and easy to understand.

Many of the investors and developers present at Mipim are not only looking at capitals and big cities. More and more the focus is on regional centres, medium-sized cities as well as small towns, on secondary and third-tier locations. But big and medium-sized cities as well as small towns have different characteristics.

Who is strolling through the narrow streets of Cannes knows what I mean. The visit at Mipim can – as a side effect – impart the atmosphere. For sure, Cannes is picturesque, but this adjective includes the word 'picture'. In times of globalisation and digitalisation we should not forget the 'human scale' looking at cities and urban life. Whether in Cannes or somewhere else: I wish, that you, dear readers, are looking closely at the respective urban environment. And in case you feel well that you will draw conclusions for investment and property, architecture and urban planning. Because quantity is one thing, quality the other one.

Yours,

Andreas Schiller

In 2017 the last building of Futurama Business Park in Prague has been completed. The whole Business Park have been acquired by Caerus Investment Management on behalf of a private separate account client.

PBB: LOAN FACILITY FOR FUTURAMA BUSINESS PARK IN PRAGUE

Caerus IM announced completion of the phased implementation of a medium-term acquisition and re-financing debt facility with Germany's pbb Deutsche Pfandbriefbank for Futurama Business Park located in Prague 8 on behalf of and together with a private separate account client. The amount of the facility is undisclosed.

The first two facilities were used to sequentially acquire Phase I and Phase II of the property in two separate transactions, namely from Invesco Real Estate and Erste Group Immorent which were respectively closed in late March and early June 2017.

Phase I was completed in 2009 and constitutes three office buildings with combined office and retail net leasing area of 19,300 square metres. Phase II was completed in 2012 and constitutes two buildings of 16,500 square metres, while Phase III is a new building completed in 2017 with 9,500 square metres of office area, representing the final phase of the Futurama Business Park. The combined net leasing area is approximately 44,000 square metres.

FLE ACQUIRES TWO OFFICE BUILDINGS IN BUDAPEST

Vienna-based FLE GmbH, a company of the LFPI group, reinforces its position in Hungary and acquires two new office properties in Budapest on behalf of the Luxemburg based fund FLE SICAV FIS. The acquisition relates to the two office buildings Residence 1 and Residence 2 in Budapest, Kacsa utca 15-23 / Ganz utca 16, that were bought from an institutional seller.

The two assets together offer 19,000 square metres of leasable space and more than 250 parking lots. The parties to the transaction have agreed not to disclose the purchase price and other details.

P3 PICKS UP A SECOND LOGISTICS PARK IN CZECH REPUBLIC

P3 has acquired a second logistics park near Lovosice, in the Ústí region of the Czech Republic, from HB Reavis. The new park, to be known as P3 Lovosice Cargo, comprises a single 43,500 square metre warehouse which is fully let to a long-term occupier and houses all of its business operations, including offices. P3 Lovosice Cargo has a direct rail link to the nearby international rail freight container terminal. Its accessibility is further enhanced by connections to exits 45 and 48 on the D8 motorway.

The new park is only a few hundred metres away from the Lovosice park, which P3 acquired in August 2017. The two parks are located close to the German border and the key industrial areas of Leipzig and Dresden, which are particularly associated with the automotive industry. Dresden is just a one-hour drive. In addition, proximity to Lovosice Harbour enables the transportation of goods by ship on the River Elbe.

Union Investment Real Estate included another two new hotels into its property portfolio: Holiday Inn Warsaw City Centre in the capital city of Poland (above), opened in December 2017, and Holiday Inn Gdansk City Centre in Gdansk (below) that will be completed in 2019.

UNION INVESTMENT ACQUIRES TWO HOLIDAY INN HOTELS IN POLAND

Union Investment secured the future Holiday Inn Gdansk City Centre hotel at an early stage by way of a forward purchase agreement. The hotel will have 240 rooms and be located on Gdansk's historic Granary Island. Completion and the transfer of rights and obligations are scheduled for mid-2019. The project has been acquired for the portfolio of one of Union Investment's institutional funds.

The Hamburg-based real estate investment manager has also completed the acquisition of the Holiday Inn Warsaw City Centre on Ulica Twarda at the end of January 2018. The acquisition on behalf of open-ended real estate fund Unilmmo: Deutschland was agreed back at the end of 2015 and was likewise a forward purchase deal. The hotel transactions in Gdansk and Warsaw are worth a total of EUR 80 million. The developer, vendor and operator in both instances is UBM. Day-to-day management of the hotels will be handled by the InterContinental Hotels Group (IHG) under the Holiday Inn brand.

Holiday Inn Warsaw City Centre celebrated its opening on 19 December 2017. The hotel comprises 256 rooms and its architecture was inspired by New York's Flatiron Building. The hotel site is approximately 500 metres from Warsaw's Palace of Culture, and the main railway station is a ten-minute walk away.

CTP TO EXPAND IN WEST POLAND

CTP acquired more than 20 hectares of land for a new park in Iłowa, South West Poland. The new park is located in the city's dedicated Economic Activity Zone on the A18 highway connecting Kraków, Wroclaw and Germany.

IULIUS KICKS OFF RETAIL COMPONENT OF OPENVILLE

Iulius has commenced the works for the retail component included in the Openville Timisoara project. The first phase of the project integrating the current Iulius Mall Timisoara is set for completion in Q4 2018 and will include 47,000 square metres of additional retail premises, 100,000 square metres of offices, a park, a traffic underpass, as well as more than 1,500 new parking places.

To this date, the Openville project includes 31,000 square metres of completed office space (in the UBC 1 and UBC 2 buildings), and another 19,000 square metres pending construction and to be delivered this year (in the UBC 3 building). The construction works for the fourth office building (50,000 square metres, in UBC 0), as well as for an underground parking lot and the traffic underpass are due to commence over the upcoming period. The additional retail areas will be fitted both in an expansion wing of Iulius Mall Timisoara, and on the ground floor of the office buildings and in the park area. Thus, upon completion of the first phase of development, Openville will include an 118,000 square metres of gross leasable retail area. The Openville project is developed by the Iulius and Atterbury Europe companies, adding up to an estimated investment of more than EUR 220 million.

developing projects
realising opportunities

UBM Development AG is the leading hotel developer in Europe. The strategic focus is on the three clearly defined asset classes Hotel, Office and Residential and the three core markets Germany, Austria and Poland.

With 145 years of experience, UBM focuses on its core competency – developing real estate. From planning through to marketing the property, UBM offers all services from a single source. UBM shares are listed on the prime market of the Vienna Stock Exchange.

Eiffestraße, Hamburg

Two interlinked hotels are being built in a central location in Hamburg's Eiffestraße. Both, the Holiday Inn and the Super 8 Hotel are being developed with a modern open lobby concept and high standards in terms of execution and sustainability. The completion of the hotels with a total of 592 rooms is planned for Q3/2019.

Quartier Belvedere Central 1&2, Vienna

In Vienna, UBM is developing the new city district Quartier Belvedere Central (QBC) covering 25,000m². In addition to hotels and apartments, with its QBC 1&2 units the district will also feature office buildings with their ground floors to be used as hospitality and retail areas. The buildings each have eight floors and a roof terrace that is accessible to all tenants. This project will complete the last building stage in the new city district Quartier Belvedere Central.

Wratislawa Center in Wroclaw is a mixed-use building comprising a hotel and office as well as retail space.

FIRST ACQUISITION OF FLE IN POLAND: WRATISLAVIA CENTER

Vienna-based investment advisor FLE acquired Wratislavia Center, a mixed-use property in Wroclaw. FLE bought the asset on behalf of FLE SICAV FIS, a real estate fund headquartered in Luxemburg and owning a commercial real estate portfolio in Europe and the US exceeding EUR 2 billion. In the process Knight Frank acted on behalf of the seller, a private investor. Dentons provided legal advice.

Wratislavia Center is a complex located in the centre of Wroclaw, in the Old Town district. The gross leasing area of the property amounts to 16,950 square metres. It comprises a 5-star hotel, offices, ground retail units and a large underground parking facility. A purchase price has not been disclosed.

SPECULATIVE DEVELOPMENT AT PROLOGIS PARK PRAGUE-UZICE

Prologis has started construction of a new 28,300 square metre speculative facility at Prologis Park Prague-Uzice in the Czech Republic. It will be the third building at the park and is scheduled to be completed by mid-2018.

The park currently consists of two logistics facilities totalling 97,800 square metres of warehouse space and has additional development potential of 42,850 square metres. It is located on the D8 highway, just 9 kilometres north of Prague.

RADISSON BLU HOTEL TO OPEN IN TIMISOARA IN 2020

The Rezidor Hotel Group and Mulberry Development have signed an agreement bringing the first Radisson Blu Hotel to Timisoara. To be newly built, the hotel is expected to be completed in 2020, and will feature 160 rooms, a restaurant and a bar, 1,000 square metres of meeting space (including a ballroom), and a 24/7 fitness centre. The property will be an integral part of the development of a combined real estate project in the Isho neighbourhood of Timisoara.

MCAP GLOBAL FINANCE ENTERS CEE

MCAP Global Finance, the London-based subsidiary of global investment manager Marathon Asset Management, has acquired the Népliget Center office building in Budapest on behalf of its funds and managed accounts. This is the first purchase in the CEE region by MCAP Global Finance. The transaction price has not been disclosed.

Developed by Skanska and completed in 2010, the centre, located close to the Népliget metro station, offers 28,300 square metres of office space and a car park with 450 spaces.


ECE
„An amazing meal, with great service, confident preparation and delivery, attention to detail and finished professionally with a strong level of German originality. In many ways, that describes the ECE business."
Jonathan Doughty,
Global Head of Foodservice ECE
WE ♥ FOOD
www.welovefood.ece.com
www.facebook.com/welovefoodatece
www.twitter.com/welovefoodece
www.instagram.com/welovefoodatece

Max-Stoja shopping centre in Pula is to be developed in an old quarry. Therefore there are only two of the total of six floors to be seen above ground.

MAX STOJA SHOPPING CENTRE IN PULA UNDER CONSTRUCTION

Construction has begun in Pula, the largest city in Istria, on a new shopping centre called Max Stoja. The mall will offer 71,000 square metres of retail space on a total of six floors. Two of those will be above ground, while the rest are to be located in an old quarry named Max. This includes two floors of parking for 850 vehicles. The investor is Istracement Nekretnine. The investment is expected to come to around EUR 53 million. The design of Max Stoja shopping centre was prepared by ATP architects.

WDP READY FOR NEW GROWTH IN ROMANIA

WDP is reinforcing its capital in the Romanian entity, being a 51/49 joint venture partnership with Jeroen Biermans up until now. After the capital increase the ownership ratio of the shareholders will evolve towards an 80/20 ratio. This lays the groundwork for using additional financing from the WDP group to grow the Romanian property portfolio to a value of EUR 500 million by 2020.

This change will not have any impact on operations. Jeroen Biermans will remain General Manager in Romania and a shareholder of the new WDP Romania (formerly WDP Development RO).

SLOVAK INVESTOR ENTERS POLAND WITH KRAKÓW ACQUISITION

ZFP Investments, the Czech-based subsidiary of Slovak IAD Investments, has concluded the acquisition of the Kotlarska 11 office building in Kraków on behalf of ZFP Real Estate Fund. This marks the investor's entry into the Polish market. The Kotlarska 11 office building was completed at the end of 2017 by Austrian developer UBM Development AG. It offers 11,000 square metres of office space in the historic Kazimierz district of Poland's second largest city.

PANATTONI EUROPE TO EXPAND DISTRIBUTION CENTRE IN ŁÓDZ

Panattoni Europe is to build a distribution and online store service centre for SMYK. The facility, which will feature 70,000 square metres at full build-out, will be erected at the Panattoni Central European Logistics Hub in Łódz. The investment was launched in early January and will proceed in a number of phases. The first phase with 26,000 square metres is scheduled for commissioning in June 2018. The lease transaction was mediated by JLL. The hub is situated at ul. Jedrzejowska, right next to the A1 motorway. The hub is 30 kilometres away from the Łódz Północ junction, where the A1 and A2 motorways intersect.

Changing ownership from fund to fund: the Czech BHS German Real Estate Fund acquired Oregon House in Prague from M7 Central European Real Estate Fund I.

OREGON HOUSE PRAGUE CHANGED HANDS

M7 Real Estate has completed the sale of Oregon House in Prague on behalf of M7 Central European Real Estate Fund I (M7 CEREF I) to the BHS German Real Estate Fund, listed on Prague Stock Exchange. Oregon House is a 14,550 square metre office building located in Prague's 13th district. The property was originally acquired on behalf of the M7 CEREF I in October 2016.

NEWBRIDGE BUYS THREE SHOPPING CENTRES IN POLAND

Aerium, the European real estate fund manager disposed of three shopping centres in Poland to Newbridge. Apleona GVA advised Aerium on the sale of these assets. The shopping centres have been originally developed by Carrefour. Located in Krakow (CH Czyzyny, opened in 2002), Torun (CH Bielawy, opened in 2002) and Lodz (CH Guliwer, opened in 1997) totaling over 72,000 square metres of gross leasing area. Each asset is still anchored by Carrefour on a long term lease. Aerium acquired the properties in a pan-European portfolio in 2006 from Carrefour. Deutsche Pfandbriefbank provided senior debt finance for the acquisition.

DIÓFA IS NEW OWNER OF INFOPARK A IN BUDAPEST

Diófa Alapkezelö Zrt., representing Magyar Posta Takarék Real Estate Investment Fund, bought the Infopark A office building in Budapest from CA Immo. The office building offers 14,000 square metres. The seller was represented by Colliers International in the sales transaction. The cost of the deal was not disclosed.

ERSTE REAL ESTATE FUND ACQUIRES RETAIL PARK IN BUDAPEST

Erste Ingatlan Alap (Erste Real Estate Fund) has acquired the Market Central Ferihegy, a retail park offering 44,000 square metres of leasable space in Budapest, as well as the adjacent Quadrum office complex from AIG/Lincoln. CBRE represented the seller in the transaction. The U-shaped Market Central Ferihegy accommodates a 15,435 square metre Tesco hypermarket and a Praktiker hardware store as well as 1,550 ground-level parking spaces.

Phase one of the office complex Quadrum with a total gross leasable area of 5,981 square metres and 238 underground parking spaces was completed in 2008. Adjacent to the building another 167 above-ground parking spaces are to be created in phase two. The foundations for the underground car park and phase two of the office complex have already been completed.

ibis Styles Budapest Airport Hotel is the first airport hotel in Hungary directly connected with the terminal by a covered walkway.

AIRPORT HOTEL OPENED IN BUDAPEST

The 145-room ibis Styles Budapest Airport Hotel, the first airport hotel in Hungary with a direct terminal connection, developed by Wing, opened for business at the beginning of January. The 6,600 square metre hotel is located approximately 200 metres from Terminal 2, and is connected to it by a covered walkway. The five-storey hotel was constructed on the site of the former open-air car park in front of Terminal 2. The hotel is being operated, under a management contract concluded with Wing, by Orbis.

PBB PROVIDES REFINANCING OF TWO BUSINESS PARKS NEAR PRAGUE

pbb Deutsche Pfandbriefbank provided an investment facility of EUR 41.4 million to companies owned by a professional private real estate investor and managed by development and investment company Amesbury s.r.o. The funds will be used to refinance the Zlicin and Chrastany business parks near Prague. Thereby pbb extended the maturity of its financing by another five years.

Each business parks offers, in detached buildings, a gross lettable area of around 35,000 square metres, of which around 25,000 square metres are warehouses and 10,000 square metres is office space. Both parks were originally developed by Amesbury, Zlicin Business Centre between 1997 and 2004, Business Park Chrastany between 2007 and 2017.

GOLDEN STAR ESTATE ACQUIRES OFFICE BUILDING IN KRAKÓW

Golden Star Estate, an Amsterdam-based investment company, acquired DOT Office complex in Kraków. JLL has represented the seller, Grupa Buma, on the sales transaction. The value of the transaction is confidential. The DOT Office is located in the Kraków Technology Park Special Economic Zone at 87 Czerwone Maki Street. The complex consists of five office buildings offering a total of 43,650 square metres of leasable space.

WING SECURED HUNGARIAN RETAIL PORTFOLIO

Wing Zrt, has acquired a retail portfolio which includes the EuroCenter Óbuda shopping centre in Budapest as well as two properties in the regional city of Szombathely. EuroCenter Óbuda offers 23,000 square metres and was opened in 2000. The deal also included the Family Center shopping centre and the Praktiker department store in Szombathely. The cost of the deal was not disclosed.

STAFFING


left: Stuart Beety
right: Steffen Eric Friedlein


left: Dori Keren
right: Piotr Myszka

Peter Nitschneider

Stuart Beety has been appointed to Senior Vice President Business Development at Skanska Commercial Development Europe. Stuart Beety has almost 20 years' experience working in real estate and financial markets. Most recently he was Head of Corporate Real Estate EMEA at Credit Suisse, where he was responsible for real estate strategy and portfolio management. Prior to that, he worked at Morgan Stanley in New York and London. Based in London, Stuart Beety will be responsible for business development and market making in Czech Republic, Hungary, Poland and Romania.

Steffen Eric Friedlein took the helm of ECE's Leasing division as Managing Director. He will succeed Klaus Striebich, who left the company for personal reasons at the end of 2017. Steffen Eric Friedlein started his career at Kriegbaum Unternehmensgruppe in Böblingen, where he last held the position of Head of Leasing. He joined ECE in April 1999 as Leasing Manager of DEZ Kassel and Altmarkt-Galerie Dresden. He then moved on to centres in Karlsruhe and Schweinfurt before he was appointed Region-al Director for the newly created Northwest region in 2008. After being responsible as Regional Director for two other regions, Steffen Eric 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 activities of all centres in Germany.

Dori Keren, CEO of Plaza Centers, will retire from his position at the end of March 2018. So far, no replacement for Dori Keren was announced. Dori Keren has spent more than a decade with Plaza Centers, commencing in 2006 as Financial Director of the company's business in Poland and Latvia, and subsequently serving as Managing Director and CFO of Poland and Latvia, before being appointed CEO in 2016. Prior to joining Plaza, Dori Keren was a Financial Controller for CAL-Cargo Air Lines Ltd. Dori Keren holds a B.A. degree in Economics and Political Sciences from Tel-Aviv University and an MBA degree from Ben-Gurion University.

Piotr Myszka has joined Echo Polska Properties EPP as Construction Director. His responsibilities include management and supervision over investments related to expansion and rebuilding of shopping centres and office properties from EPP's portfolio or being considered as the company's acquisition targets. Piotr Myszka is a graduate of Technical University in Opole and of Warsaw School of Economics where he got a post-graduate degree in management. He also has many years of experience in implementing retail projects gained while working for construction companies as well as in project management. Prior to joining EPP, Piotr Myszka worked for real estate developer GTC SA as project manager and operational director of Galeria Północna. Also with GTC, he managed the construction of Galeria Jurajska in Czestochowa and later, for five years, he managed the shopping centre.

Peter Nitschneider has been appointed Country Manager of JLL's Slovak business. Peter Nitschneider joined JLL in 2006 to help to co-establish the office in Bratislava and to lead its valuation and advisory business in Slovakia. During this time he has spearheaded the expansion and evolution of the team and services offered to clients. For the past year, JLL's Slovak business has been managed by Miroslav Barnas as part of a dual role that included the management of the businesses in Czech Republic and Slovakia based out of Prague. Miroslav Barnas will continue to oversee both countries, with Peter Nitschneider reporting to him in his new role.

LETTINGS

BUTTERFLY, PRAGUE — CZECH REPUBLIC

During the second quarter of 2018 mBank, will relocate to the office building Butterfly in Karlín – Prague 8. The bank will occupy the entire fourth floor and half of the third for a total of 3,600 square metres. Butterfly office building offers a total of 23,105 square metres of space.

BUSINESS GARDEN, WARSAW — POLAND

Vastint Poland has signed lease agreements with two new tenants at Business Garden Warsaw. The names of the tenants were not disclosed. They took a total of 4,500 square metres. Business Garden is located at one of the main arteries in central Warsaw. The complex features seven office buildings totalling 90,000 square metres of leasable space as well as a hotel with more than 200 rooms.

THE PARK WARSAW, WARSAW — POLAND

The Polish division of the international logistics company Asstra Forwarding AG expanded its existing space by 300 square metres at The Park Warsaw office building. Asstra Polska's headquarters at ul. Krakowiaków now stands at more than 1,600 square metres. Ultimately The Park Warsaw office campus will offer 10 office buildings with a total area of 110,000 square metres. Building 1 to 4 are already completed, buildings 5 and 6 are under construction. Owner of the Park is AIG and White Star Partners.

GALILEO, KRAKÓW — POLAND

Rise.pl, a Polish co-working space and serviced office operator, has leased 1,450 square metres of space at the Galileo building in Kraków. Savills represented the owner, GTC. Galileo is located on Armii Krajowej street and offers 10,600 square metres of office space.

WROCŁAW 101, WROCŁAW — POLAND

Nordic IT provider Solteq signed a lease on 600 square metres of office space at Wrocław 101. The tenant was represented by Cushman & Wakefield, while the owner of the property, Crownway Investments, was represented by Knight Frank. Wrocław 101 is located on a public square near the city's Główny train station and offering approximately 5,800 square metres of office and retail area.

DAY TOWER, BUCHAREST — ROMANIA

Enel signed a lease to take more than 11,000 square metres at the Day Tower building, which is nearing completion in downtown Bucharest. Day Tower, located on Unirii Boulevard, is set for delivery in March 2018. It will offer about 12,000 square metres of space spread over nine floors.

POLAND – AGAIN THE MOST ATTRACTIVE INVESTMENT MARKET IN CEE

The acquisition of Magnolia Park in Wrocław has been the biggest transaction in the Polish retail property market in 2017.

In 2017, for a long time it looked as though Czech Republic could steal Poland's crown as the number one investment location in CEE. But at the end of the year it was proved again: Poland remains investor's darling.

Although the relationship between the EU and Poland is all but stress-free and the current Polish government is trying to push also in the field of economy what they call 'repolonisation', investor's appetite for Polish real estate is unbowed. According to JLL EUR 5.03 billion have been transacted in the Polish market of commercial properties – a volume short below the best result for the country's investment volumes from 2006, equal to EUR 5.05 billion.

Against previous year the transaction volume increased by 11 per cent – that means Poland performed better than the CEE investment markets in general that reached an increase by only 3.3 per cent from EUR 12.56 billion to EUR 12.98 billion. Of this sum Poland secured the lion's share with 39 per cent, followed by Czech Republic with 27 per cent and Hungary with 14 per cent of the total CEE investment volume. However, these figures have to be put into the right perspective: together, Czech Republic and Hungary have only the half of the inhabitants Poland has and by size they are a quarter and one third respectively of Poland.

On top of the investments by transaction volume are retail properties – nearly 40 per cent of the total investment volume is allotted to this segment. Albeit the acquisition of large shopping centres like Magnolia Park in Wrocław by Union Investment Real Estate was attracting high interest – with EUR 380 million it was the biggest transaction in the Polish retail property market last year –, retail investments range from shopping centres, outlet centres and retail parks to conveni-

ence shopping centres all over Poland. It seems that investors are not afraid of the often-cited competitor of stationary retail – the online shopping with sales increasing annually by a two-digit rate.

However, also incomes and thereby purchase power in Poland are rising. Meanwhile the average income is around EUR 1,100 thereby reaching 66 per cent of the OECD average. Economy is growing by four per cent, unemployment decreasing below five per cent. In many sectors companies have already difficulties to find skilled workers, so the Polish labour market is changing from an employer's into an employee's market. That means pressure increases to boost wages, not only for new employments, but as well for the existing staff to avoid high fluctuation. Furthermore higher social benefits are adding to the rising purchase power.

What is also stimulating investor's appetite for retail property is the considerable development pipeline. In 2017 approximately 333,000 square metres of shopping centre area as well as 116,000 square metres of other retail formats have been delivered to the market. For 2018, JLL forecasts that further 360,000 square metres will be completed.

It is no longer only the 'big cities' but as well small ones like Tychy in Silesia (128,000 inhabitants), Nowy Targ in Lesser Poland (33,000 inhabitants) or Pruszków southwest of Warsaw (61,000 inhabitants) where shopping centres with 27,000 to 36,000 square metres are to be developed.

Comparing retail space per capita then with 0.95 square metres Poland has still backlog demand, even not considering saturated markets like Germany (1.44 square metres per capita) or Austria (1.67 square metres per capita). Also comparing Poland with other CEE markets like Slovakia (1.01 square metres), Hungary (1.02 square metres), Croatia (1.1 square metres) and Slovenia (1.12 square metres) there is still a lot to do to reach this figures.

In 2017, some 30 per cent of the total transaction volume have been allotted to office property – exactly EUR 1.58 billion. And for the second time in history, the regional markets outpaced Warsaw investments by over 50 per cent with record high investment activity in regional cities totalling at more than EUR 950 million. However, the office investment market recorded weaker performance than in 2016 by 12 per cent. Mainly the first half of the year was performing very weak, because EUR 1.26 million investments in office property has been transacted only in the second half of 2017.

Whether the new political environment is responsible for the reluctance on the office investment market is another question. Fact is that yields in Poland are still higher than in Western Europe, letting performance is good, and investments risks are ranked lower than in other CEE/SEE countries. Furthermore, the offer of investment products in Polish office markets is still higher than in Western Europe where meanwhile prices have reached astronomical heights.

That investor's interest is increasingly on locations outside the capital city causes some hope for those so far neglected by the general upturn in the Polish property market and by international interest. The development of shopping centres and retail parks (and their acquisition by international investors) is a first step. For sure, outside Warsaw and the big regional cities there is no need for office development with some 10,000 square metres of leasing area, but for rather smaller projects with a mixed use. Generally mixed-use developments are increasingly establishing themselves also in the bigger cities.

Construction activity in Poland is strong – not only in Warsaw.

Regions, not affected by the strong development in the office and retail segment, are more and more benefiting from the development of logistics and industrial parks. A prominent example is the surroundings of Szczecin. The West Pomeranian Voivodeship is – similar to Mecklenburg-Vorpommern on the German side – a more or less economically underdeveloped region. Now two big online-retailers, Amazon and Zalando, have settled in the surroundings of

For retail parks and logistics properties also smaller cities and towns are attracting investor's notice.

Szczecin. For Amazon Panattoni developed a 161,000 square metres logistics facility in Kolbaskowo, for Zalando it was Goodman providing a 130,000 square metre distribution centre in Gryfino. Although in both facilities state-of the-art robotics are established, each of them, Amazon and Zalando, brings more than 1,000 workplaces into the region. Both distribution centres are built to suit the respective company and are not (yet) available for the investment market. But it is to expect that sooner or later also these properties will be traded.

In 2017, the transaction volume in the logistics and industrial property market in Poland amounted to a record high of EUR 940 million, EUR 70 million more than transacted in 2016.

However, it is worth noting that the 2016's and 2017's results are dominated by the sale of the P3 industrial property portfolio and the acquisition of the pan-European Logicor platform from Blackstone. The Polish share in the P3 portfolio amounted to EUR 285 million, among the Logicor portfolio have been 28 assets in Poland worth EUR 750 million. Deducting these two portfolio deals from the transaction volumes in 2016 and 2017 then remain EUR 484 million for 2016 and EUR 190 million for 2017. In other words: the record high transaction volume in 2017 is caused by one big deal and has to be put into the right perspective.

A very sought-after investment asset is hotels in Poland. In 2017, hotels have been traded in the amount of EUR 342 million. Following David Nath, Head of CEE Hospitality Team at Cushman & Wakefield, then regarding hotels Poland is the best performing CEE country – by transaction volume and by number of transactions as well. According to JLL the EUR 342 million have been invested in two portfolio acquisitions and seven stand-alone deals. Again Poland is benefiting from its structure, because as tourist destinations there are not only Warsaw, but as well cities like Gdansk, Kraków or Wrocław. And since 2010 the number of tourists is increasing annually by an average of 10 per cent.

Not investor's appetite for Polish property is changing, but partly the investors themselves. For a long time mainly investors from Germany, France, the USA and Sweden have been active in the market, now we see new ones from China (CIC), South Africa (Redefine), UK (Globalworth) and Czech Republic (CS Nemovitostní Fond, Reico Investicní Spolecnost Ceské Sporitelny).

Given the high interest in the Polish real estate investment market and the high economic growth rates that caused Moody's to raise Poland's ranking from 'negative' to 'stable' again in May 2017, the world seems to be all right. Even the intensifying conflict between Poland and the EU has so far no impact on the investment activities.

However, the sky is not immaculate blue. Since years Poland is fighting with small productivity growth rates and in the medium and long term the shortage of labour can have a negative impact on economy. The latter is more or less aggravated by the reduction of retirement age and by the fact that the employment rate of younger women between 25 and 44 years old is decreasing despite the current favourable economic environment. That is not at least caused by the new "Family 500+" programme, supporting families with more than one child with PLN 500 (EUR 116) per child every month. This higher social spending and the reduction of retirement age have to be financed. The acid test Poland will have to pass when the current favourable economic conditions are changing. **I Marianne Schulze**

REALCONNECT

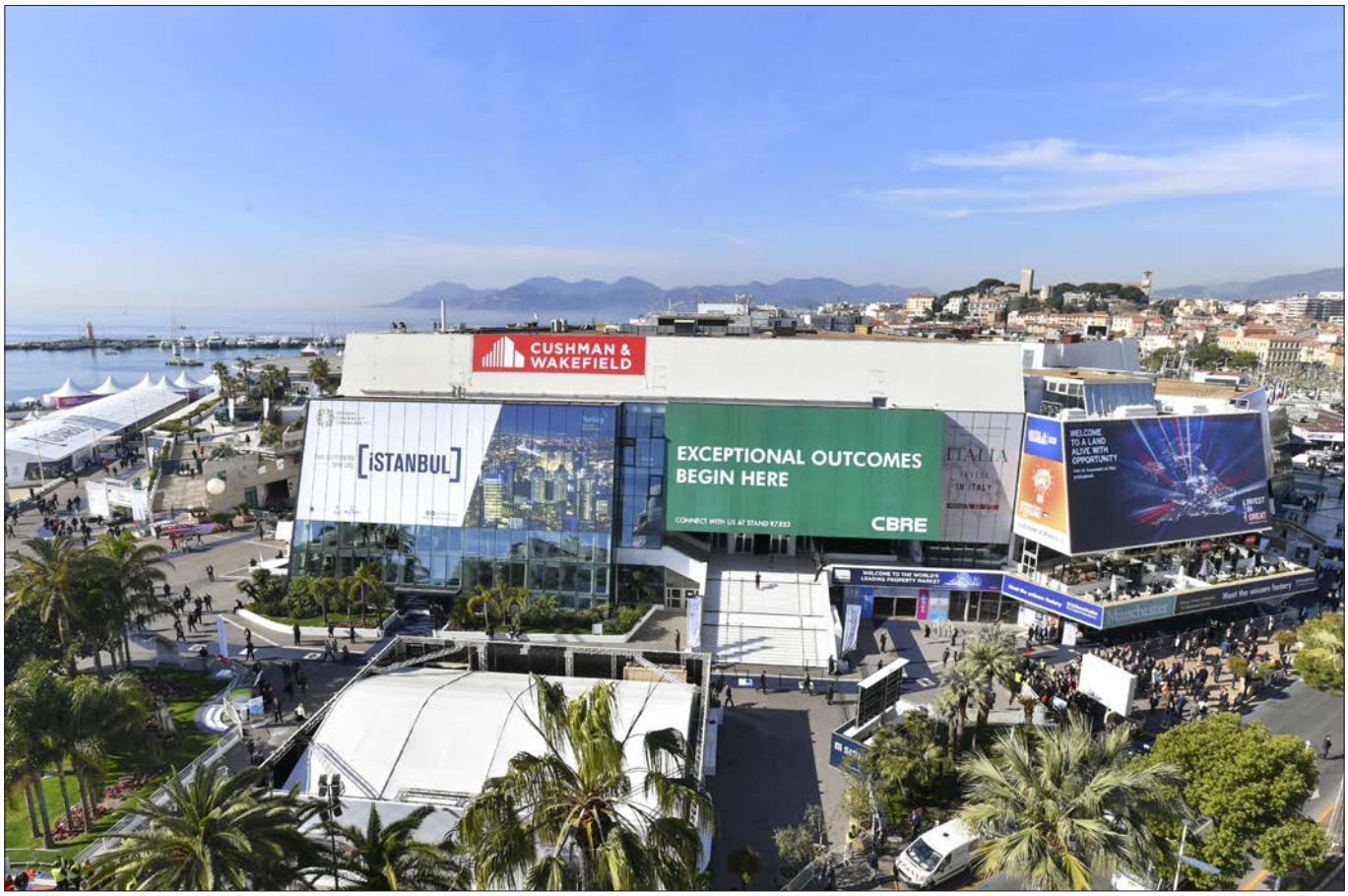
CEE PROPERTY & INVESTMENT FAIR

REAL CONNECT 2018

23-24 May | WARSAW

WWW.REALCONNECT.PL

NOT MUCH NEW UNDER THE SUN OF CANNES



Like every year in March also in 2018 the real estate industry will 'take over' the city of Cannes for three days.

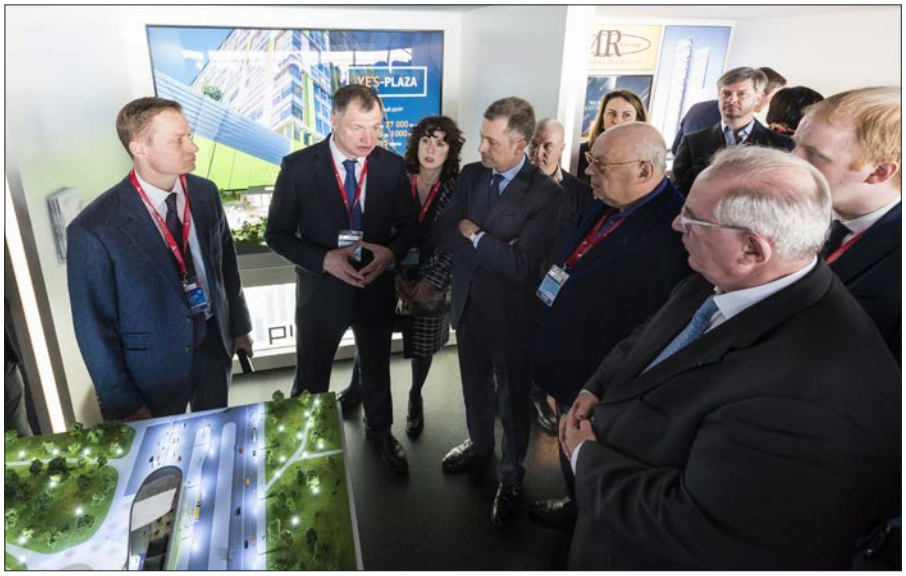
From March 13 to 16, 2018 in Cannes in southern France the international property fair Mipim takes place again. As the central theme of this years issue „Mapping World Urbanity" has been chosen.

The organisers of Mipim, Reed Midem, are promoting the fair by stating that in Cannes 3,100 exhibitors are presenting themselves to 24,200 participants, that participants are from more than 100 countries, and that 5,000 investors are present during the fair. At the same time the organisers indicate the exhibition space with approximately 20,000 square metres. So on average for every exhibitor 6.5 square metres are available – a relatively small amount of space.

So far (March 3, 2018) 3,325 exhibitors are registered. 3,052 are of European origin and among them 292 are from CEE/SEE including Russia and Turkey. The Top Three from CEE/SEE are Russia, Turkey and Poland. With 57 exhibitors Russia is leading the group, followed by Turkey with 56 exhibitors and Poland with 54 exhibitors. In the double-digit range are also Czech Republic (25 exhibitors) and Hungary (16 exhibitors).

The majority of exhibitors from Poland are municipalities and regions, all gathered in Espace Riviera. Besides the capital city of Warsaw prominent regional centres like Gdansk, Gdyna and Sopot, Katowice, Kraków, Lodz, Poznan and Wrocław, the Malopolska Region and Pomerania are presenting themselves. The City of Warsaw (R8.D1) is joined by private companies cmT, Golub Gethouse, Mayland, Okam Capital, Skanska Property Poland and Skanska Residential Development Poland as well as Vastint Poland. And in the 'neighbourhood' there is to find also Echo Investment and Griffin Real Estate (R8.C3).

From Turkey Istanbul has its pavilion outside of the Palais des Festivals again (C14), while the cities Balikesir (P-1. G51), Gaziantep (P-1.F50) and Hatay (P-1.J10) are located in the basement of the Palais. Besides a relatively strong presence of Turkish architecture firms, Beyoglu Investors Group (R7.C24) and Esas Properties (R7.G15) also the Central Anatolian Exporters Union (C19.A), the Istanbul Mineral Exporters' Association (P-1.H16, P-1.J15) and the Turkish Tourism Investors Association (P-1.D39) are among the exhibitors. The last one is to expect, however, to meet two exporters' associations at a property fair is a bit surprising.



Vice-Mayor of Moscow Marat Khusnullin is among the regular guests of Mipim.

From Russia the two big cities Moscow (C11) and Saint Petersburg (R7.G9) are present again. Mainly the City of Moscow will be accompanied by a great many of private companies not yet registered. For Czech Republic the capital city of Prague (P-1.D64, P-1.E65), the Central Bohemian Region (P-1.E85), the cities of Brno (P-1.D78, P-1.E79) and Ostrava (P-1.D76, P-1.E77) are exhibiting. The developer of industrial property and business parks CTP (R7.E66) is of Czech origin, but meanwhile active also in Slovakia and increasingly in Hungary and Romania as well. To meet Hungarian exhibitors means more or less 'one stop' at the joint stand Budapest-Hungary (P-1.F24, P-1.G11), organised by the Hungarian Investment Promotion Agency Hipa and joined by private Hungarian companies like Atenor, Futureal, Granit Polus, GTC Hungary, Horizon Development, Trigranit Development and Wing.

From Ukraine the City of Kiev (P-1.F2). is present. For Croatia the Croatian Chamber of Economy (P-1.F80) is presenting the country, for Montenegro it is the Ministry of Sustainable Development and Tourism (P-1.F71), and for Slovenia the investment promotion agency Invest Slovenia (R7. G31). For the respective CEE/SEE countries often international consultancies and service providers are registered having an office there or working together with a local partner.

Among the exhibitors there are 765 companies listed as Investors & Financial Institutions. Looking at the category "Investors by Type of Investment" – direct and indirect – there are 337 companies listed. The number of companies present as visitors at Mipim amounts to 5,028. 2,115 companies are allotted to the category "Investors & Financial Institutions" and among them 834 companies are focused on direct and 335 on indirect investments.

The conference programme of the fair is meeting many different interests. And of course a topic like "Brexit: a new face for Europe" is not missing, equally the fair picks up the idea of the New Silk Road by an event titled "Mapping the Silk Road – The Journey From Turkey to the World". Complying with the motto of this year's Mipim, "Mapping World Urbanity", there is a great many of events looking into the future of urban living in 2030 and 2050, what will be the impact of the worldwide demographic development and the increasing urbanisation, and what will be the future role of cities in a globalised world. It could be interesting taking part in the opening session (March 13, 2018, 2 p.m.) to listen to the keynote of Adora Zvitak. The young American writer and lecturer was 13 years old when in 2010 she was startling the world with a speech about "What Adults Can Learn From Kids". For sure, she will challenge many of the property professionals, elder than she, explaining what especially the younger generations are expecting from tomorrow's cities.

Finally, we should have a look at the nominees for Mipim Awards. Meanwhile there are 11 categories and for each category four projects are nominated. The 44 projects are from 23 countries, and 3 projects from CEE/SEE achieved to be among the nominees for Mipim Award: the Amazon fulfilment centre, developed by Panattoni Europe near Szczecin in Poland, is competing with three others in the category "Best Industrial & Logistics Development"; also two projects from Moscow are among the nominees: the Luzhniki Stadium (category "Best Refurbished Building"), completely modernised for the FIFA World Cup, taking place this year in Russia; and Zaryadye Park, developed near the Red Square on the site of the former Hotel Rossija and inaugurated last year (category "Best Urban Regeneration Project"). | **Christiane Leuschner**

WHO IS INVESTING IN WHAT AND WHERE?

There is a lot of money in search of investment opportunities in the market. Investors and their investment strategies are multifaceted. But in the complex overall picture there are still some trends to realise.

A huge amount of capital is in search of investment opportunities.

The real estate industry is doing better than ever since long. It is exactly ten years ago that the financing crisis hit the industry, and again record high sums are invested in real estate. For 2017, international real estate consultancy JLL stated a worldwide transaction volume of USD 698 billion. That is six per cent more than in the previous year. About USD 300 billion were invested in Europe – that is even 22 per cent more than in 2016. Other consultancies are publishing slightly different figures caused by different evaluations, but nevertheless it is always an impressing lot of money invested in property.

The scepticism against pure financial products – at least this is kept in mind after the 2008 crisis – was and is still one of the motivations to put the focus on real assets. Besides gold and other noble metals property is the most favoured choice. However, there is neither property nor investor par excellence. Both, property and investor, are helpful terms but need to be differentiated, especially when it comes to investment strategies.

The real investor has become increasingly less apparent. Most of the pension funds, high net worth individuals, sovereign wealth funds, foundations, and insurances have outsourced the management of their financial engagements to investment managers. There are many of these investment management companies like Blackrock, Blackstone, Hines, Invesco, La Salle Investment Management or Warburg-HIH Invest, to give at least some prominent names. Strictly speaking, the investment management companies are investing 'other people's money'. Therefore investment management companies call these 'other people' end investors and are regularly announcing that they have a new mandate or who is putting money in which funds or investment vehicle. So it is not really exact, but right in the end to call these investment managers also investors.

Internationally many of them are acting as or investing in Real Estate Investment Trusts, in short: REITs. In Germany mainly open real estate funds and special real estate funds, that different to open funds are comprising a limited number of end investors, are the preferred investment vehicles. Characteristic for the open funds is that end investors are often retail investors putting relatively small amounts of capital into the fund.

Among the open fund initiators are Commerz Real, Deka Immobilien and Union Investment Real Estate. Meanwhile these companies are also launching special real estate funds. According to BVI Bundesverband Asset und Investment Management (German Investment Funds Association), in 2017, the German open real estate funds collected net EUR 5.5 billion, the special real estate funds EUR 9.8 billion.

Historically seen, banks are the parent companies of open real estate funds, marketing the offers to end investors – the bank's clients. Other banks have subsidiaries active in the field of real estate investment named differently – for example the real estate investment management company of Landesbank BayernLB is Real I.S. AG and of Helaba Landesbank Hessen-Thüringen it is Helaba Invest.

Another important group are the big sovereign wealth funds investing in real estate like Abu Dhabi Investment Authority ADIA and Government of Singapore Investment Corporation GIC. Of the great number of pension funds Canada Pension Plan, California Public Employees Retirement System CalPERS, the South-Korean National Pension Service NPS, the Norway Government Pension Fund Global as well as from Germany the Bayerische Versorgungskammer BVK are only some examples.

Milaneo in Stuttgart is an example for 'urban mix': it combines retail, a hotel, apartments and offices.

To this numerous group of institutional investors are to add the often high net worth potentials and companies not outsourcing their real estate asset management to third parties or having organised these activities in a family office. Many of them invest in real estate offers of third parties, others only in real estate necessary for their company's core business, mostly production facilities.

As multifaceted the group of investors is, as diversified are the investment strategies. The only thing they all have in common is that they prefer to invest in real estate. But real estate includes a great many of different buildings and locations. Furthermore there is to differentiate between the various stages of the life cycle of a building.

In the respective capital city and other big cities the offer is mostly very limited. Because these 'core properties' are not only promoting the reputation, first of all they provide safety. That in prime locations in prime cities a building is not to let or letting will be difficult is hardly to imagine. However, where many (would) like to buy the asked prices are increasing, partly exorbitantly. So some can and will no longer be there – in a literal sense – at all costs.

Instead, investors are looking to other locations: often to still urban but already peripheral locations. We are talking about the commuter belt or more correctly: about the surrounding region of a big city. Furthermore other cities of a country are emerging on the radar – secondary cities and regional centres, but as well small cities and towns. Such a strategy is described as diversification – in this case a geographic diversification. But regarding use and size of space not everything is to transfer everywhere. In locations outside the big cities proper analysis of demand and stock is even more important. Mostly investments in secondary locations concentrate on retail property, while a success of investments in office buildings is depending strongly from the conditions of the respective location.

That is also true for logistics real estate, currently very favoured by investors. In this case not only the catchment area is important but as well transport connections, especially for long-distance transports. Connectivity is also a topic with hotel investments. In this case it is not the 'transport' of goods to a certain location, but of tourists and business people.

Residential, however, could work everywhere. But the residential market is mostly dominated by local players. That does not mean a disadvantage, but makes it more difficult for international and global investors to enter this market. Especially student housing in university cities is in the focus of many institutional investors. Some are calling them 'micro-apartments', perhaps having already in mind other tenants in case the number of students is decreasing and they are no longer willing or able to pay the asked rents. Generally investors are more and more keen to invest in mixed-use buildings or in quarters because if one segment is weakening, there are still others producing income. That is also a kind of diversification. Furthermore interest in the often-cited 'urban mix' is growing.

To generate good returns it is necessary to keep risks at a minimum. In recent times there are to add other than the conventional criteria like use – office, retail, logistics, residential, hotel, mixed-use etc. –, location and rental agreements. One is called 'geopolitical risks'. Since the world has become a 'global village', we are often confronted with this term. Currently there is a great deal of fire, however, reliable

A typical office building in the German city of Hamm (above) or an individually designed commercial property in London (below) – both assets have found their investors.

forecasts are limited. Therefore investments are increasingly allotted to countries which at least seem to provide safety.

That is the fact in Europe and within the European countries Germany is deemed to be a 'safe haven' and thus among the top investment destinations. As well the smaller neighbouring country Austria is to be reckoned to be attractive. Especially in CEE/SEE investors from countries that for many years were never mentioned – from Asia-Pacific and from Africa – are becoming more and more active.

Of course, every investor remaining in his origin country would be the easiest thing. At least local expertise could be granted. In fact, there are investors focused exclusively on their region or country of origin and – looking at the building stock as a whole – they altogether are the backbone of real estate investments in all respective cities. But internationalisation and globalisation cannot be put into reverse. And independent of all kinds of diversification and safety thinking still the huge amount of money in search of investment opportunities is requiring activities beyond country and even continent borders.

But let us remain with real estate: what is acquired? Some kind of a classic is still the completed or nearly completed development. However, for the amount of money in search for investment opportunities demand is often higher than supply. Furthermore, in many cases supply is high-priced because of the lack of product. So the number of so-called forward purchases, of investments in developments just started or still in an early stage is increasing.

Also to observe is a growing number of investments in existing and functioning buildings. Depending on requirement and opportunity investor A is buying a building or a whole portfolio from investor B. Every now and then vendor and seller are not settled in the country where the traded assets are located.

Investors also like to acquire existing buildings that do not turn out well but are promising value-add potential. A decisive part of this value-add as well as an opportunistic strategy is a refurbishment of the building to achieve higher or – with vacancies before – rents at all afterwards. Adding value to the existing building stock is also positive for the respective location. The existing structure – part of the local identity – will be modernised. Currently this happens often with existing shopping centres.

Ultimately, returns and investment strategies are depending on rents that can be generated by a building. For sure, the location, the market segment, the purchase price are playing an important role for buyers. But in the long term the main question is how a building will be utilised. Therefore, by analogy with digitalisation, buildings can be described as 'hardware' while rental agreements are the 'software'. For the performance of an investment both have to work in concert. **I Andreas Schiller**

AN ACTIVE HOUSE INSTEAD OF A PASSIVE HOUSE

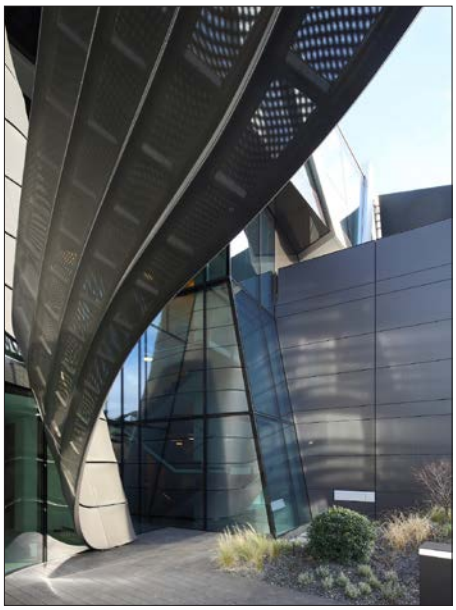
When the photovoltaic elements in the roof are raised the Marxer House in Liechtenstein looks like a sailing ship.

There are many ideas and solutions for energy efficient buildings and mostly these ideas are realised in one-family houses. Now there is a multi-family house in Vaduz, where results of research in construction and energy efficiency has been implemented creating a building that will produce more energy than it consumes.

It is not really surprising that the so-called Marxer House has been developed in Vaduz. Since many years – in the beginning every two years, now annually – Liechtenstein is host of a Green Summit. So people are already sensible regarding nature protection and sustainability and implement many things while elsewhere there are still discussions about it. This is not at least due to the small size of the country and to the fact that Liechtenstein – in statistics mostly subsumed under Switzerland – is one of the wealthiest countries in Europe.

But there is something else to add: the building's owner is the local entrepreneurial family Marxer. They do not disclose the development costs of the project, they are only admitting that they are not expecting to earn money by letting the apartments in the building. In fact, the aim was to secure Liechtenstein a spot on the map of sustainable architecture. The latter already happened because from October 2017 to January 2018 the building was in the focus of an exhibition in the Austrian Cultural Forum in New York about "falkeis architects: active energy building".

Thereby the second 'parent' of the building is already named: the architects Anton Falkeis and Cornelia Falkeis-Senn, based in Vienna and Vaduz. Planning, research and experimenting lasted six years before they could implement the results together with the building's owner. A high-tech-house with 11 rental apartments – from one-room apartments with 34 square metres to 4.5-room apartments with 245 square metres – and one freehold apartment has been developed. The apartments will be let to usual – admitted in Liechtenstein generally not really low – rents.



The construction of the building is sustainable also because it allows a highly flexible layout of the apartments.

The "Active Energy Building", as the architects named the house, differs from low-energy and passive houses by the aim not only to reduce energy consumption to the lowest level, but to produce as much energy by the house as possible to provide also four neighbouring houses with power. To reach this target, geothermal energy, photovoltaics and solar energy is used and in doing so two innovations are increasing significantly the level of efficiency: tracking systems especially designed by the architects for their purpose and so-called Phase Change Materials (PCM) capable to store heat and cold and to release it when needed.

The building is equipped with a movable building envelope to harvest solar radiation for energy production and heating, and interstellar radiation for cooling. Climate wings are filled with a paraffin mass functioning as PCM. The paraffin coagulates at 21 degrees Celsius and becomes liquid again at 32 degrees Celsius. With the transition from one to the other state of matter it absorbs and releases heat respectively. The advantage of paraffin is a store capacity five times higher than water. According to requirements of heating or cooling, the respective wings are swinging out of the façade and are exposed to the sun during day storing the heat or to interstellar radiation at night cooling down. The wings release their heating or cooling energy when folded back and connected with the building's ventilation system. Only by these storage wings up to 25 per cent of energy for heating and cooling can be saved.

But the Marxer House is not only saving energy, it is also producing more than needed. The entire roof and the south side of the building are equipped with photovoltaic elements. These elements are connected with a solar tracker ensuring via a small motor that in the morning each element is rising and aligning to the solar radiation in an optimal way. These solar trackers have stored the exact coordinates of the sun's position for the next 100 years and readjust the elements every five minutes also taking into account the shadowing of the elements among each other. If sun radiation is too weak or wind too strong, the system is switching-off and the elements sink back in the façade and the roof. Only that tracking of the photovoltaic elements increases the solar energy transmittance by nearly 300 per cent.

Whether the Marxer House is a nice building or not, is a matter of taste. At least it is an eye-catcher attracting interest. What the architects are enabled by the owner was not only the realisation of their ideas – already this is more the exception than the rule –, but also the implementation of their research results in construction technology.

The building's daily life will show whether and how this all will function because for two years the building will be evaluated. What neither architects nor owner are aiming for is one of the common certifications – for understandable reasons because once the certificate is issued nobody is asking whether the required standards are really observed.

Why we have chosen this apartment house as an example for "best practise" although it is more or less an experimental building and by costs, for sure, not what is the usual? Simply because architects and owner had the courage to strike a new path, to take the risk of something new whose success is not a priori granted, to experiment and to look how it works. Without pioneers like Falkeis architects and the Marxer family housing construction and construction technologies will not develop and possible solutions for a limited climate change will remain theoretical. | **Marianne Schulze**

FOR YOUR PLANNING

When	What about	Where	For information and registration
13.–16. March 2018	Mipim The World's Leading Property Market	Palais des Festivals, Cannes, France	www.mipim.com
27. March 2018	IRE-Expert Conference „Smart Cities" – Challenges and solutions for future urbane mobility in European Cities	Salzburg Congress, Salzburg, Austria	www.institut-ire.eu
29. March 2018	CEE Property Forum Bucharest	Radisson Blu Hotel, Calea Victoriei 63-81, Bucharest, Romania	www.property-forum.eu
4. – 6. April 2018	Real Corp 2018: Expanding Cities – Diminishing Space	TU Wien, Karlsplatz 13, Vienna, Austria	www.corp.at
23. – 24.May 2018	RealConnect CEE Property & Investment Fair	Warsaw Expo XXI, Pradzynskiego 12/14, Warsaw, Poland	www.realconnect.pl
27.–30. June 2018	ERES 25th Annual Conference	Real Estate & Planning, Henley Business School, University of Reading UK	www.eres.org

INSTEAD OF OBJECTING LET US EMBRACE THE CHANGES

Björn Habisch, Director Investor-Relations-Team, Taurus Investment Holding

If it should be still invented, there will be no fire. Who today would be willing to take the responsibility for the danger inherent in fire and for the particulate matter pollution it is causing? Immediately all political and social organisations would be ready to stop this dangerous invention. But fortunately, fire is already used by humans since thousands of years.

Regarding particulate matter pollution: The decision about a diesel vehicle ban in German cities will set off an avalanche of economic consequences. However, there will be treated only symptoms, there will be no diagnose of the real problem, much less getting to the root of it.

Daily seas of cars entering the city in the morning and leaving it again in the evening means a loss of time in the range of millions of hours – health threats not yet taken into considerations. Besides passenger cars trucks are also to be taken into account. Annually transports are amounting to more than 315,000 tonne-kilometres, a great part of it happening in cities. For comparison reasons: The German railway is operating only 116,000 tonne-kilometres annually. But who wants to wait for his online order longer than three days?

The decisive question is about the readiness to adopt changes and to abandon cherished beliefs and habits. The sentences "it has always been like this" and "that has always been done by this way" will do not apply anymore.

Cities of every size will spread like a spider's web in their surroundings because cost of living in the city centre will push the still existing middle class to the suburbs. Wealthy people will occupy the former city centres, and at the periphery new centres will emerge. Thereby the topic of mobility becomes increasingly urgent, because volume of traffic will further increase. Trains will remain the number one mean of transportation even though in a slightly different way. At newly created traffic hubs new transport means like the City Cable Car Systems of an Austrian company could come into operation. Intelligent cornering technique enables to reach every street and that in a frequency of 50 seconds, on a low-noise level and environmentally friendly.

Growing e-commerce is causing great changes as well. Up to 2025 logistics areas in Germany will double. With the increase in delivery speed it is no longer possible to establish distribution centres on greenfield sites. To deliver everybody's orders in time it is necessary to create logistics facilities also within the cities. However, the question is whether we will accept warehouses in our immediate surroundings as easily as we adopted the possibility to expect an ordered article in very short time comfortably at home.

The changes in our urban environment will accelerate and we also will have to change our habits. Who is not willing to do it will eventually be among those being opposed to the invention of fire – an important step in the history of mankind.

imprint

Editors: *Andreas Schiller (V.i.S.d.P.), Marianne Schulze*
Layout: *Silvia Hogl, www.diehogl.at*
Frequency of publication: *eight times a year*
Publishing House: *Schiller Publishing House Unternehmergesellschaft (haftungsbeschränkt) Lohplatz 13, D-51465 Bergisch Gladbach*
Managing Director: *Andreas Schiller*
Registered: *Amtsgericht Köln, HR: B 68026*
UID: *DE270670378*
T: *+49 22 02 989 10 80*
E: *office@schillerpublishing.de*

Photography: *JackF – Fotolia.com (p. 1), Frank Boston – Fotolia.com (p. 13), Magnolia Park (p. 14), Ghelamco Poland (p 15), Immofinanz AG (p. 16), Reed Midem (p. 18), Henning Kreft / Spacewood (p. 19), K.-U. Häßler – Fotolia.com (p. 21), ECE (p. 22), Corpus Sireo Real Estate, Michael Schmidt (p. 23 above), AFIAA (p. 23 below), R. Korner, M. Zanghellini – Falkeis Architects (p. 24, p. 25)*