

# SPH newsletter

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## events

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## DEAR READERS!



Before Expo Real, many are wondering what it will be like in Munich from 4 to 6 October. Many things have changed in the current times of crisis. The fact that the international trade fair for property and investment will be held from Wednesday to Friday this year is the least of the differences. Some fears from the market, such as a predicted drop in exhibitor numbers by almost one third, did not come true. The number and range of exhibitors continue to impress. Some of them are also represented with advertisements on the following pages. Of course, I recommend visiting the respective stands or making an appointment beforehand.

It was often said in the trade fair’s own presentations that Expo Real is a “barometer of the mood in the industry”. This is undoubtedly true. However, it is not only moods that will be discussed, but above all problems. This will happen at least in some of the events of the comprehensive conference programme. It would be good if solutions were also discussed – at least approaches to solutions and, better still, necessary changes in the real estate sector. “A New Way of Thinking and Acting”, a programme block in the Expo Real Forum, seems to be the order of the day. In this issue, after the overview of the fair, we will contribute a little to the topic.

Marianne Schulze and I wish everyone who attends the fair a good and fruitful time with food for thought.

Yours,

Andreas Schiller

## NEWS FROM CEE/SEE



*Warta Tower office building in Warsaw's Wola district was last used as accommodation for Ukrainian refugees. Now the building is to be extensively refurbished.*

### **CORNERSTONE INVESTMENT MANAGEMENT BUYS WARTA TOWER IN WARSAW**

Cornerstone Investment Management acquires Warta Tower in Warsaw from Globalworth. The value of the transaction has been set at over EUR 63 million. Warta Tower comprises over 33,700 sqm GLA and almost 560 parking spaces.

Warta Tower, located ul. Chmielna in central Warsaw, is a 21-storey building completed in 2000. The acquisition is the beginning of the transformation process. The finalisation of the refurbishment is planned for 2025.

### **TREI AND KINGSTONE REAL ESTATE FORM PARTNERSHIP TO DEVELOP RENTAL APARTMENTS IN POLAND**

Trei Real Estate GmbH and Kingstone Real Estate will establish a long-term collaborative venture for the purpose of developing rental housing projects in major Polish cities.

In the near term, it is intended to create an investment vehicle for the onboarding of interested investors. Kingstone will handle the fundraising by identifying and approaching investors, set up the respective investment structure, and be responsible for the fund and asset management. Trei will act as co-investor and developer, acquire the building plots, execute all construction processes, and coordinate, together with Kingstone, sale of investment upon completion.

The initial two rental housing projects in Warsaw and Poznan have progressed to an advanced stage. Actual construction will start in Poznan in Q4 2023 and in Warsaw during the first half of 2024. Other cities with high potential for rental apartment developments include Kraków, Wrocław, Łódź, Katowice and Gdańsk.

### **PANATTONI STARTS NEW DEVELOPMENT IN BIERUŃ**

Panattoni has purchased over 4 ha and is to develop Panattoni Park Bieruń, just 2 km from the Stellantis car factory. Up till now the developer has delivered two parks in this place with a total area of 97,000 sqm. Now the developer is to construct Panattoni Park Bieruń with an area of 18,000 sqm. The location is near to the A4 motorway and the S1 expressway.

### **GLP BEGINS CONSTRUCTION AT WROCŁAW V LOGISTICS CENTRE**

GLP has started the construction of a new warehouse at Wrocław V Logistics Centre. The warehouse park in Magnice is to expand by more than 86,000 sqm. The latest stage of the project had been fully leased before the start of construction.

The warehouse is scheduled to be completed in H1 of 2024. Once fully expanded, the 500,000 sqm site will offer 240,000 sqm of logistics space.





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*The ECE logistics project is being built in Kąty Wrocławskie, around 25 km from Wrocław. The project is scheduled for completion in summer 2024.*

## **DEUTSCHE HYPO FINANCES LOGISTICS PROPERTY IN POLAND**

Deutsche Hypo – Nord/LB Real Estate Finance is financing a logistics property near Wrocław for the ECE Group as part of a two-year project development financing. The multi-tenant building is scheduled for completion in summer 2024 and will then have a logistics area of around 80,000 sqm and around 2,500 sqm of office space.

The project is being built on the A4 motorway, via which neighbouring countries such as Germany and Slovakia can be reached within a few hours.

## **PANATTONI BEGINS SPECULATIVE CONSTRUCTION NEAR KRAKOW AIRPORT**

Panattoni starts the construction of City Logistics Kraków Airport II with a target area of 21,330 sq m within one building. The development is worth EUR 34 million. It will be located near Balice Airport – the second largest airport in the country – and near A4 motorway. The investment will also be within less than two hours from the Czech and Slovak borders. Completion is scheduled for the beginning of 2024.

## **WDP ACQUIRES A 20,000 SQM UNIT IN PITEȘTI AREA**

Logistics and light industrial spaces developer WDP expands its local portfolio through a sale-and-leaseback acquisition of an automotive production unit. The building is located in the metropolitan area of Pitesti, which is an established automotive production cluster, centered around the Dacia Renault plant.

The unit has a GLA of approximately 20,000 sqm and will be leased back to the seller under a long-term, triple net, fully indexed contract.

With this new unit added, the portfolio of the Belgian developer WDP reaches, in Romania, a number of 68 logistics real estate properties.

## **NREP INVESTS EUR 200 MILLION INTO LOGISTICS DEVELOPER 7R**

Nrep acquired an 80% stake in 7R SA investing EUR 200 million into the company. The platform will continue to operate under the 7R brand and the partners are aiming to accelerate the growth of the company. After having completed a portfolio of 1,800,000 sqm across 36 assets, 7R has an existing pipeline in excess of 2,300,000 sqm.

7R's development portfolio is located across Poland and serves a number of companies of different scales and industries, including third-party logistics operators, light manufacturing, e-commerce, pharmaceuticals and automotive. Established 14 years ago, 7R is a founder-led company.

The acquisition expands Nrep's total logistics platform, including the pipeline, to more than 4,200,000 sqm buildings across six countries. The company has been active in logistics since inception through its dedicated logistics branch Logicens, and will apply its capabilities to further develop 7R into a leading institutional quality platform, and leverage its expertise to strengthen 7R's capability to source, develop and hold prime logistics facilities in Poland.



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\*There is no guarantee targets will be achieved.



Royal Trakt Offices is a historic city palace, built in the 19th century for the philanthropist Ignaz Bernstein. Now it serves as an office building.

## INVESTIKA ACQUIRES ROYAL TRAKT OFFICES IN WARSAW

Investika realitní fond has acquired the Royal Trakt Offices from Patrizia SE. Royal Trakt Offices is located on Aleje Ujazdowskie in central Warsaw among embassies, governmental institutions, office buildings and hotels. The four-to-five-storey property formerly known as the Bernstein Palace was constructed in the 1870s. It was fully refurbished and redeveloped in 2005 by SMFP, a subsidiary of Avidus Omega, which in 2013 sold it to IVG Immobilien. Patrizia SE became the owner of the property in 2017, through the acquisition of IVG's subsidiary Triuva.

## GERMAN GROUP REWE IS PREPARING A MIXED-USE REAL ESTATE DEVELOPMENT IN BUCHAREST

The German group Rewe, which owns the Penny network, has initiated a mixed real estate project with commercial and residential premises on a 5,000 sqm plot of land, surrounded by the Greenfield residential complex and the Băneasa Forest.

The former owners of this land proposed in 2015 the construction of 9 villas with two floors each, through a Zonal Urbanistic Plan. If Rewe goes ahead with the initiated project, it will be the first investment in the residential sector made by the German retailer.

The company has set out to invest over EUR 1 billion in the Romanian market by 2029, mainly by expanding its network to a total of 619 stores and 6 logistics centres.

## ROCK HOLDING INVESTS EUR 70 MILLION IN FIVE-STAR HOTEL PROJECT IN POIANA BRAȘOV

Rock Development Holding will invest EUR 70 million in the development of a five-star hotel project in Poiana Brașov. The project will consist of a hotel with 120 rooms and an aparthotel with 75 residential units. It is located in the central area of the Poiana Brașov resort.

Rock Development Holding has invested more than EUR 53 million in the development of Politehnica Parc Residence and Avrig Park Residence in Bucharest, with a total of almost 800 apartments. The company is currently developing the second phase of Avrig Park Residence, with 222 apartments, following an estimated investment of EUR 23 million.

## ELI ACQUIRES LAND IN KNURÓW FOR BTS INVESTMENT

European Logistics Investment ELI owned by Redefine Properties, Madison International Realty, and Griffin Capital Partners, is expanding its portfolio in the Silesian Voivodeship by acquiring land in Knurów. The acquired land will be used for a BTS (Built-to-Suit) industrial project. The facility, which spans 34,681 sqm, has been pre-leased to Fortaco Group.

Located in the centre of the Silesian Voivodeship the project has access to major national transportation routes such as the A1 and A4 highways which are part of key European transit corridors. The construction is planned to be completed in the second quarter of 2024, with the handover of the investment to the tenant scheduled for the third quarter of the same year.

# pbb

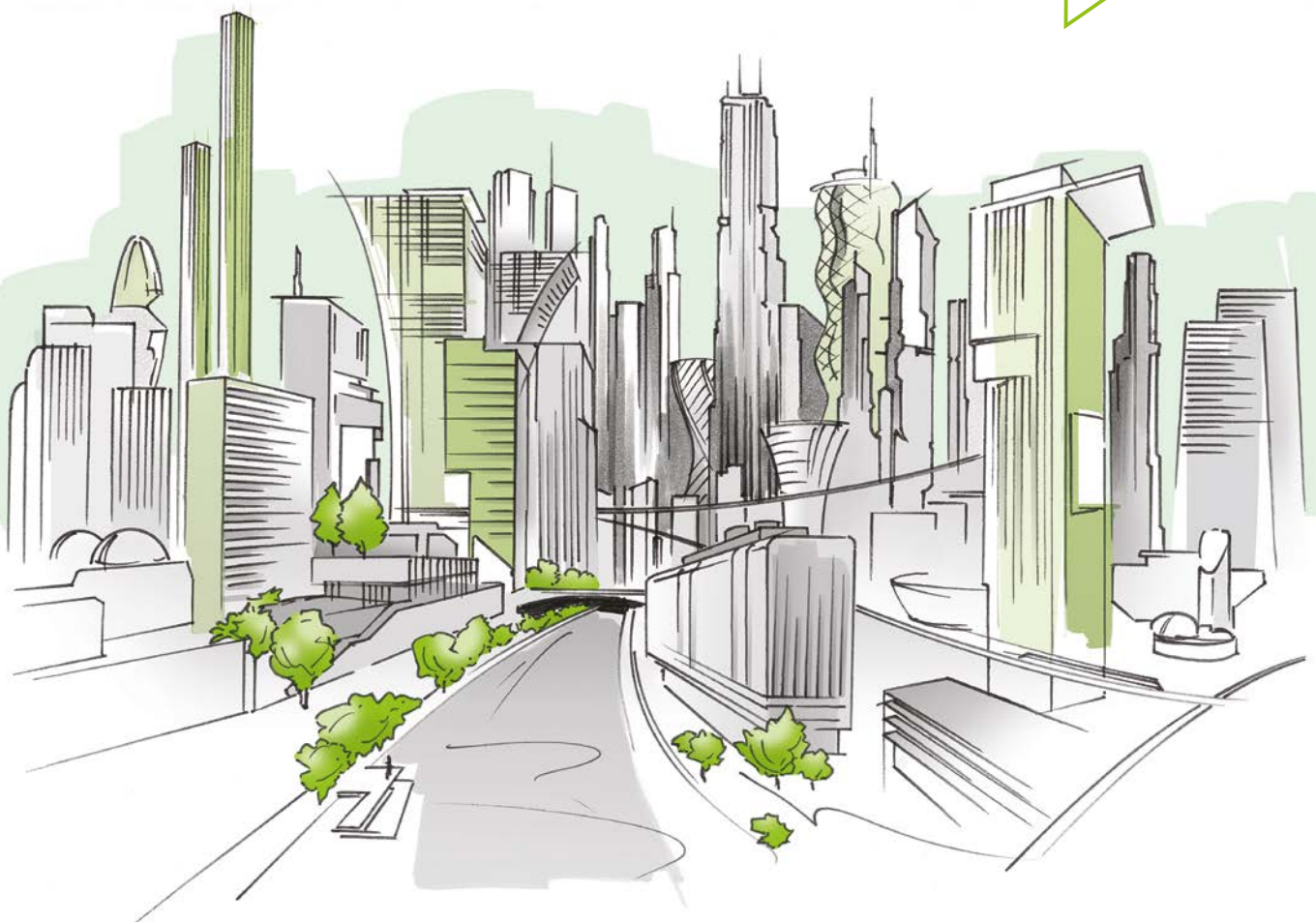
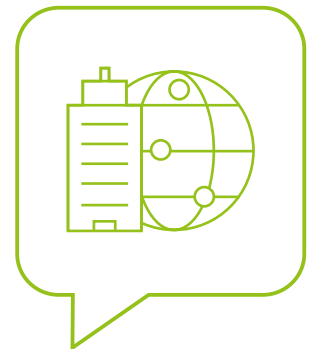
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The newly opened Carolina Mall in Alba Iulia in Transylvania was developed by Prime Kapital and offers 28,900 sqm GLA.

## PRIME KAPITAL INAUGURATED MALL IN ALBA IULIA

Prime Kapital has inaugurated the largest shopping centre in Alba county. Carolina Mall in Alba Iulia is the result of an investment worth EUR 47 million. The new shopping centre features international and national brands, a food court, a hypermarket and a parking lot with over 1,100 spaces. Carolina Mall has a total built area of over 33,100 sqm.

## STAFFING



left: Piotr Czaplicki  
right: Zsolt Farkas

**PIOTR CZAPLICKI** has joined Logicor as Asset Manager responsible for selected logistics parks around Warsaw and in central Poland. Piotr Czaplicki previously worked as Asset Manager at Ghelamco Poland and DWS (RREEF), and prior to that held the position of Asset Specialist at Adgar Poland. He gained his professional experience in major consulting companies – Colliers, CBRE and JLL. Piotr Czaplicki is a graduate of the Faculty of Management at the University of Warsaw and of Project Management at the Warsaw School of Economics. He is also a graduate of post-graduate studies in Real Estate Management at the Warsaw University of Technology.



left: Marta Grześ  
right: Stuart Jordan

**ZSOLT FARKAS** is new COO of Globe Trade Centre Group and Management Board Member of GTC Hungary. Zsolt Farkas was the Founder, CEO, and Chairman of the Management Board at Mundial AG, a real estate development firm based in Germany. In addition to his responsibilities as CEO, Zsolt Farkas serves as the Managing Director for more than 10 companies. Before establishing Mundial AG, he spearheaded numerous prosperous projects in Hungary, Austria, Italy, and Croatia, collaborating with companies like Porsche, Spar, OMV, Kempinski, and Motel One.

**MARTA GRZEŚ** has joined Logicor as Development Manager and will be responsible for land acquisition and commercial launch of investments. Marta Grześ has over 8 years of experience in the industrial real estate sector. Prior to joining Logicor, she worked as Development Director at Hillwood Poland and Land Transaction Director at JLL's industrial department. She graduated from SGGW with a master's degree in spatial management.

**STUART JORDAN**, since 2017 Managing Director of the Czech Republic & Slovakia, has been appointed CEO of Central and Eastern Europe at Savills. Stuart Jordan will lead Savills wholly owned offices in the Czech Republic and Poland, as well as coordinating cross border activity with Savills associate offices in Austria, Hungary, Romania, and Serbia.





left: Izabela Łazarowicz  
right: Gyula Nagy

**IZABELA ŁAZAROWICZ** has joined the Asset Management team of Logicor as an Analyst. She gained her professional experience at JLL, where she worked as a Junior Capital Markets Consultant. Izabela Łazarowicz holds a Master's degree from the Warsaw School of Economics (corporate finance) and a CEMS Master's in International Management. She also completed postgraduate studies at the Warsaw University of Technology in Property Valuation.

**GYULA NAGY** has been appointed as the CEO of Globe Trade Centre Group and Management Board Member of GTC Hungary. He started his professional career as an auditor at Deloitte and led statutory and international group audits of real estate, financial services and tech Companies. He joined OTP Group in 2012 and was promoted as the Board Member and CFO of OTP Real Estate Ltd and other subsidiaries. In 2018 he gained experience as an interim CFO for CTP Group. He was the Chief Financial Officer and later Deputy Chief Executive Officer and Member of the Board of Optima Investment Ltd between April 2019 and August 2023. Gyula Nagy was Member of the Management Board of GTC S.A. (2020-2022) and later of the Supervisory Board of GTC S.A. (2022-2023).



left: Mark Richardson  
right: Peter Schaller

**MARK RICHARDSON** has joined Savills Poland as Head of Investment. He has more than 20 years of professional experience in European commercial real estate. Prior to joining Savills, Mark Richardson was Head of Capital Markets for Cushman & Wakefield and Colliers in the Czech Republic. Previously he was also a Director for 12 years at Pradera Limited, a specialist retail investment and asset manager where he was responsible for the CEE market.



Andrei Văcaru

**PETER SCHALLER** has been nominated by the Nomination Committee for the Supervisory Board of UBM Development AG as the fourth member of the Management Board of UBM Development AG for the term of 1 November 2023 to 31 October 2028. Peter Schaller studied industrial engineering for construction at the Technical University in Graz. He is a renowned construction expert and most recently headed operations for Porr in Graz. Following positions in Poland, the Czech Republic, Slovenia and Germany, Peter Schaller has held management positions at Porr in Styria since 2007. He is a member of the Federation of Austrian Industries (iv) in Styria, the Executive Board of the Economic Forum of Managers (WdF) and Vice-President of the football club SK Sturm Graz.

**ANDREI VĂCARU** has been appointed as Regional Head of Capital Markets for CEE at iO Partners, a real estate services company headquartered in Vienna and JLL preferred partner in Romania, Czech Republic, Hungary and Slovakia. Andrei Văcaru brings to the role extensive experience and a deep understanding of the industry, having been an integral part of the company since its establishment in Romania 16 years ago.

## LETTINGS



### H<sub>2</sub>OFFICES, BUDAPEST

HUNGARY 

MBH Gondoskodás Health and MBH Gondoskodás Pension Funds have secured a total of 1,064 sqm of office and retail space in Skanska's H<sub>2</sub>Offices. The first phase of H<sub>2</sub>Offices has been delivered recently and is providing over 27,000 sqm leasable area.

### MILLENNIUM TOWER I, BUDAPEST

HUNGARY 

CA Immo has signed a 10-year lease agreement with an internationally operating Hungarian company for approximately 8,000 sqm in the Budapest office building Millennium Tower I. The building, which has 19,000 sqm of rental space, is part of the centrally located Millennium Towers office complex directly on the banks of the river Danube. The complex consists of four buildings with a total of 70,700 sqm GLA.

### DIUNA, WARSAW

POLAND 

Leases for nearly 3,000 sqm of office space has been signed in Diuna complex (formerly Marynarska Business Park) Warsaw's Służewiec district. Two existing tenants, Business Lease Poland and LeasingTeam Group, have extended their leases for office space (to 610 and 1,100 sqm, respectively) while Daikin has more than doubled its space to 1,200 sqm in the complex on Taśmowa Street. The complex comprises four office buildings with a total usable area of 46,000 sqm.

### GREENWINGS, WARSAW

POLAND 

Xella Polska has renewed its lease contract for more than 1,400 sqm in GreenWings office building in Warsaw. GreenWings offers close to 11,000 sqm of leasable space. The building is located in ul. Komitetu Obrony Robotników in Warsaw's Włochy district, in the immediate vicinity of Chopin Airport.

### P180, WARSAW

POLAND 

Stepstone Group Polska, will occupy approximately 2,250 sqm of space in P180 office building developed by Skanska in Warsaw's Mokotów district. P180 is located on Puławska Street 180 next to the Wilanowska metro station. Completed in 2022, the 15-storey building is offering 32,000 sqm of office space.

### GRUNDMANN OFFICE PARK, KATOWICE

POLAND 

BNP Paribas will occupy more than 4,100 sqm in Building A of Grundmann Office Park in Katowice, a development project of Cavatina. The office building is scheduled for completion in the third quarter of 2024. Grundmann Office Park will consist of two 7-storey buildings with a total area of 47,000 sqm.

# EXPO REAL IN TIMES OF CHALLENGES



*The challenges in the real estate industry have increased and become more diverse. This makes exchange all the more important.*

**When the doors to Expo Real open on 4 October 2023, much will be familiar to the participants. But the times when success story followed on success story and was celebrated have gone. Currently, the real estate industry faces a lot of challenges.**

For three days, the real estate industry meets in seven halls at Messe München. It will not really be noticeable that there are somewhat fewer exhibitors this year than last year. Currently (12. September 2023) nearly 1,800 exhibitors are registered – last year Expo Real recorded 1,887 exhibitors. What will be noticeable, however, is that the mood will probably be much more subdued, because the ‘fat years’ seem to be over for now.

At least those who look back on a longer professional life are familiar with such times – the last time of a massive slump was in the wake of the 2008 financial

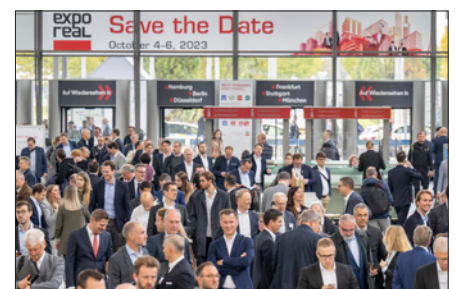
crisis. Since then, however, things only seemed to be going up, business was running like hot cakes.

The Covid-19 pandemic was a first interruption, but it was generally expected that the economy would recover very quickly. Things turned out differently and a wide range of challenges was arising: the war in Ukraine and the associated energy shortages; sky-rocketing inflation and corresponding interest rate hikes by the ECB with the consequence that loans became more expensive; supply chain difficulties that began in Corona times and continue to exist; a shortage of skilled workers in all sectors; and – especially in Germany – a sluggish economic development. At the same time, the failures of the past are becoming blatantly obvious in Germany – in infrastructure, digitalisation and, above all, in adapting to climate change.

All this is having an impact on the real estate markets. Fewer and fewer people

can afford to buy a home, not only because of the rising prices but also because of the significantly higher financing costs; the commercial transaction market is in the doldrums, Germany’s reputation as a ‘safe haven’ seems to be gone; project developers are significantly scaling back their activities, and the construction industry struggles with a massive drop in orders.

In this respect, it can be assumed that many delegates will have a great interest



*The real estate industry will meet at Expo Real from 4 to 6 October 2023.*



in the event with Dr. Gertrud Traud, Chief Economist/Head of Research & Advisory at Helaba Landesbank Hessen-Thüringen: She presents an "Outlook" on 6 October 2023 at 12 noon under the heading "Crises, Climate, Consequences: Interest Rates and Yield Expectations".

But to stay with the exhibitors: The strongest group – as is to be expected at a trade

Futureal, Infogroup and Wing as well as the state-owned development company NIPÜF (National Industrial Park Management and Development Company, also known as Inpark). The cities of Debrecen, Kecskemet, Nagykaniza, Miskolc and Szolnok are represented as well. Further co-exhibitors are the HIPA Hungarian Investment Promotion Agency and the development company for the City Forest

Panattoni Czech Republic Development and the law firm PKK Partners. The developer for industrial and logistics parks CTP, active throughout the CEE region, has its solo stand in Hall A3 (A3.410).

The number of exhibitors from Serbia and Slovenia (7 each) are in the single digit range. From Slovenia the country's business development agency Spirit Slovenia is exhibiting in Munich and will be joined by the Association of Regional Development Agencies of Slovenia (B2.410). Fraport Slovenia, which operates Ljubljana Airport, and Slovenski državni holding (Slovenian Sovereign Holding), a state-owned asset management company with holdings in more than 50 companies, will also be gathering on the Slovenian joint stand.

From Serbia Vojvodina is presenting itself at Expo Real: The cities of Novi Sad, Kikinda, Sombor, Sremska Mitrovica, Subotica and Zrenjanin join the stand organised by the Vojvodina Development Agency (A1.240).

Croatia is again represented by Brijuni Rivijera (A.023), a company founded with the aim of initiating developments to make the coastal region, off which the Brijuni archipelago lies, even more attractive for tourists, but also to further strengthen the region economically.

Another company Expo Real participants are already familiar with is Invest Moldova (A1.012), the investment agency of the Republic of Moldova. As a neighbouring country of Ukraine, the situation in Moldova has become more difficult since the outbreak of the Russian-Ukrainian war. However, in 2022 Moldova was officially granted candidate status by the EU leaders.

A completely new exhibitor, however, is InstaBuilt from Kosovo (A2.532). The company's purpose is offsite construction, in short: modular construction. This topic is often mentioned as a possible solution of the challenges in the residential market. May be it is worth taking a look at what InstaBuilt is doing. **I Marianne Schulze**



*Innovations are more in demand than ever. Hall Nova<sup>3</sup> in particular is focused on them.*

fair in Munich – are the exhibitors from Germany, followed by Austria (85 exhibitors), the Netherlands (73), Poland (47), Great Britain (40) and Switzerland (31). There are just around 100 exhibitors from CEE/SEE at the fair, with Poland again accounting for the lion's share.

Most of the companies active in Poland and the Polish cities and regions are gathered in Hall A2. Exceptions are development company Cavatina Holding (B1.322), Panattoni (A3.310), international developer of industrial and logistics real estate, and Globe Trade Centre, which participates in the Hungarian joint stand (A3.324).

The second largest group of exhibitors from CEE/SEE comes from Hungary (14), followed by Romania (12). The Hungarians are all gathered in a joint stand organised by the Hungarian real estate association Ingatlanfejlesztői Kereszktal Egyesület in Hall A3 (A3.324). Here delegates will meet the companies Atenor,

in Budapest Városliget Ingatlanfejlesztő Zártkörűen Működő Részvénytársaság.

The Romanian exhibitors are located in Hall A1. On the one hand, there is a joint stand (A1. 532) organised by Transilvania Evolution with Cluj and Cluj-Napoca, Maramureş County, Reşiţa and Oradea, the Banca Transilvania as well as the companies Nhood (formerly Ceetrus), the Urbano Group-Altrade, developer of industrial and logistics parks, and WDP Warehouses de Pauw.

Independently, but in the direct neighbourhood is Braşov (A1.530). Braşov is one of the economic centres of Transylvania and opened its airport on 15 June this year to further strengthen its economic growth.

For the Czech exhibitors the City of Ostrava has again organised a joint stand (A2.430), in which participate the City of Prague, the Business and Investment Development Agency CzechInvest and the Moravian-Silesian Region, as well as





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## FOOD FOR THOUGHT

The more challenging the times, the more important it is to have food for thought, new ideas and approaches to solutions. In this regard, industry meetings like Expo Real are important. It is not only the discussions among the trade fair participants, but also Expo Real itself that contributes to this in many ways.

Whether the conference programme or special shows – Expo Real has always picked up on topics that are itching to deal with or innovations that are necessary and in demand. This includes bundling exhibitors who specialise in certain fields as much as possible and literally and figuratively finding a forum for their topics.

To create a platform for innovations and technological developments that could be of interest to the real estate industry, Hall A3 has become Nova<sup>3</sup>, with a Tech Alley, a special area where start-ups can present their solutions. This also includes a Tech Talk Stage, where innovative projects around digitalisation and innovation are presented and discussed.

In addition, there is also the Real Estate Innovation Forum in Hall A3, where current topics relating to the digital transformation in the real estate industry are addressed. In the spotlight are solutions for “Investment & Financing”, “Real Estate Valuation & Market Research”, “Operating & Managing”, “Planning & Building” and “Marketing”.

Digitalisation and innovation are topics the real estate industry is dealing with since some years. Now climate change and thus the need to reduce CO<sub>2</sub> emissions, also in the real estate sector, has become urgent. Expo Real is taking this into account with a special show called “Expo Real Decarb”, where compa-



*Technical innovations are often seen as the solution to the challenges of the time.*

nies will be presenting themselves on the topic of decarbonisation of the real estate portfolio, on real estate as an ecosystem, on climate-neutral neighbourhood and urban development. Innovative solutions and first practical examples will be shown and explained by suppliers, start-ups, innovative construction companies and other experts. There will also be a discussion forum “Decarb Arena” where the relevant topics will be addressed and discussed.

Climate change will also be in the focus of the opening event at the Expo Real Forum (A2.450): “Climate Action: Walk the Talk!” (4 October 2023, 10:00 am-10:50 am). The changes that society and thus also the real estate industry have to deal with also include “Demographic and Social Change” (4 October 2023, 11:00 am-11:50 am). But the discussions at the Expo Real Forum will also address the still dominant topics of ESG, financing and digitalisation. Furthermore, the challenges associated with urban development and the transformation of cities are picked up. The final event will be the aforementioned “Outlook” under the heading “Crises, Climate, Consequences: Interest Rates and Yield Expectations” (6 October

2023, 12:00 pm). Here, Dr. Gertrud Traud will present future economic developments and take part in the following discussion.

Urban development and the transformation of cities also occupy the experts at the Grand Plaza, with the main focus on the future role of retail and retail real estate in city centres. Special topics such as residential, office and the Hospitality Industry Dialogue, but also a look at North America are located in the Planning & Partnership Forum.

Also worth mentioning: the Asia-Pacific Conference (5 October 2023, 10:00 am-12:50 pm), which will be held in Conference Room B 11.

The last, but not least event at Expo Real Forum (6 October 1:00 pm) is the transmission of a lecture by Parag Khanna, Indian-American political scientist and Founder/CEO of Climate Alpha and FutureMap, a data- and scenario-based strategy consultancy. In 2021, he gained attention with his book *Move. Where People Are Going for a Better Future*. His topic at Expo Real: “From Climate Risk to Climate Opportunity”.(MS)





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## WHEN LESS IS MORE



*It can be done without elaborate technology: near Zurich the largest 2226 project to date in terms of area will be realised.*

**Buildings are becoming smarter and smarter, and building technology is becoming more and more sophisticated. The main goal is to use resources – primarily energy – as efficiently as possible. But there is another way.**

The discussion about decarbonization of buildings is currently in full swing. The construction and operation of buildings contribute to around 35% of energy consumption and around 30% of CO<sub>2</sub> emissions across the EU – values that are to be reduced by a good half by 2030. Often, the focus is only on the energy needed for heating and cooling as well as for lighting and the operation of the respective appliances. But that is – depending on the lifespan of a building – only about half of the CO<sub>2</sub> emissions for which buildings are responsible. There is to add the embodied energy, the energy needed to construct a building. In this respect, every new building

produces CO<sub>2</sub> emissions even before it is in use. In order to reduce this embodied energy, research for alternative building materials is increasing, particularly in the area of concrete building materials, the production of which is associated with high CO<sub>2</sub> emissions and where the pressure to reduce these emissions is particularly high.

Another approach to reducing the energy demand of buildings is building technology. Here, digitalisation has opened up many new control options. But these complex technical solutions in turn consume at least some of the energy that is supposed to be saved. In addition, technology is always susceptible to faults and requires regular maintenance and renewal if it is to function smoothly.

For ten years now, however, there has been a counter-example, an office building that largely does without technical systems, i.e. heating, ventilation and air

conditioning, and yet has a constant interior temperature between 22° and 26°, regardless of the season. It was Dietmar Eberle of Baumschlager Eberle Architekten, one of the pioneers of ecological building, who turned against 'energy-saving technology' as the defining element of buildings and designed an office building with 2,421 sqm of usable space in the Millennium Park in Lustenau in Vorarlberg (Austria) that operates without this technical equipment.

The building's name 2226 reveals the concept – to achieve an indoor temperature between 22° and 26° only by architectural solutions: solid exterior walls consisting of 38 cm of static and 38 cm of insulating brick masonry bearing a smooth light-coloured lime plaster on both sides; concrete ceilings that also form storage mass; a clever arrangement of room heights as well as room and wall proportions; and deep-set high windows that

are evenly allocated across the façade. However, a bit of technology has to be there – for a comfortable indoor climate, sensor-controlled ventilation flaps ensure air exchange during cross-ventilation and provide the building’s cooling down at night in summer.

The promise of a constant room temperature between 22° and 26° in all seasons was kept – with one exception: in the extreme heat periods with temperatures around 35°, the room temperature also climbed to 28° a few times.

After ten years of building operation, the Vorarlberg Energy Institute examined the relation of the results of the building simulations, created in advance, to the actual measured values. After all, these values agree to 97%. The life cycle assessment of the building was also calculated, based on an operational period of 100 years. In terms of Global Warming Potential, the 2266 building is ahead of the passive house. However, in both passive houses and conventional new buildings, insulation must be replaced after 30 years at the latest and energy technology every 15 years – neither of which is necessary in the 2226 building because both components do not exist.

The building in Lustenau is some kind of prototype and has found successors with different uses. Another 2226 office building is located in Switzerland, in Emmenweid near Lucerne, and a third project with a mixed use of therapy and office space as well as four flats was realised in Lingenau in the Bregenz Forest in Austria. In Dornbirn, on the other hand, a residential complex with eight units was realised. And in Lustenau, four 2226 buildings 86 residential units as well as commercial, service, retail and restaurant space on the ground floors will be realised in 2024.

The site of a former large-scale printing plant in Schlieren near Zurich is to be redeveloped. Here, in addition to the renovation of an existing building, a new building is planned. With 18,000 sqm of floor space, it is the largest project to date

planned according to the 2226 concept. by Baumschlager Eberle Architekten. It will be realised in cooperation with the international investment and asset manager FREO Group.

As Professor Dr. Hartmut Leser, CIO and Partner of the FREO Group, explains, the target is real estate “that is characterised

operation, but also allows a higher sales price to be achieved in the event of a possible disinvestment”. Dr. Miriam Esders, ESG Group Officer and Sustainable Real Estate Manager of the FREO Group, continues: “It is not only about the avoidance of greenhouse gases of up to 100% in the operating phase, but also of around 20% already in the construction phase”.



*Therapy rooms, office space and four residential units – heating not necessary*

by extremely low CO<sub>2</sub> emissions”, because this is a “huge advantage at a time when roughly half of the entire real estate stock in Europe has to be restructured or even replaced due to the tightening of ecologically motivated regulations. Key-word ‘stranded assets.’”

New construction is one thing, existing properties that now have to be made ecologically ‘fit’ are another issue. The 2226 concept can be applied to the refurbishment of existing properties, too, as Professor Hartmut Leser points out, “because this concept not only helps to save costs in redevelopment and continued

It is to wonder that a concept like 2226 still finds only few supporters. Already in former times and in all climatic latitudes, buildings were constructed in a way that they offered people the most comfortable indoor climate possible. Today, we rely more and more on technical solutions, which make building and maintenance more expensive and cost energy again. Furthermore these technical solutions tend to require that people have to adapt to technology. Or to put it another way: fully automatic room ventilation can only replace a direct supply of fresh air through an open window to a limited extent. | **Christiane Leuschner**



# INCOMPATIBLE: CLIMATE PROTECTION AND ECONOMIC GROWTH

That, in a nutshell, is the key message of Ulrike Herrmann in her latest book *Das Ende des Kapitalismus – Warum Wachstum und Klimaschutz nicht vereinbar sind* (The End of Capitalism – Why Growth and Climate Protection Are Incompatible – available only in German).

What sounds like one of the many boring critiques of capitalism is an astonishingly readable book that opens up connections even for those who don't know too much about economics. At least the book offers some food for critical thought about the optimism of some politicians on the subject of "green economic growth".

The book is divided into three thematic complexes: The first part looks at the 'rise of capital', how capitalism first emerged in England and what mechanisms not only keep this form of economy going but also make it a successful model in the industrial developed countries that has helped many people to prosper.

The flip side of the coin is that this form of economy is designed for constant growth. For this growth, however, it is becoming ever more energy-hungry. It was ultimately the discovery of fossil energy that gave capitalism a boost. But the ever-expanding use of fossil energy is exactly the reason for climate change.

Now, the ecological transformation requires the conversion to renewable energy sources. Especially the use of sun and wind, is currently considered the solution of the energy problem.

On the one hand, this conversion is not 'cost-neutral', on the contrary: it costs a lot of money. On the other hand, neither the sun nor the wind are energy sources that are available in constant quantities at all times. There are times of surplus, but the energy cannot be stored for the times when there is little sun or wind. In short, there will not be enough energy available, at least in the foreseeable future, to drive 'green economic growth'. Therefore Ulrike Herrmann comes to the conclusion that economic growth and climate protection are incompatible. As an aside, she also dispels the widespread belief in technical innovations that can save the climate.

The fact that the reader is not left with pure pessimism is due to the last section, which explicitly deals with the 'end of capitalism', but also shows approaches how the inevitable process of a shrinking economy does not have to lead necessarily to general impoverishment.

The model mentioned is the British war economy from 1939, when many things had to be rationed, but for everyone. The



Ulrike Herrmann  
*Das Ende des Kapitalismus*  
 Warum Wachstum und Klimaschutz nicht vereinbar sind – und wie wir in Zukunft leben werden  
 341 pages  
 Kiepenheuer & Witsch 2022  
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 EUR 7,99 (ebook)

model may not be transferable one-to-one, but it shows possibilities for making the necessary change to a 'green economy' socially acceptable. And Ulrike Herrmann shows what life could look like then – certainly more modest for some than today, but generally well worth living.

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