No. 55 | November 2017

SPH newsletter

DEAR READERS!

The 20th Expo Real ended at October 6 with new record figures. Some of the participants I spoke had booked their return flight from Munich with Air Berlin and were not sure whether their flight was on time or going at all. A few days ago, after almost four decades Air Berlin stopped flight operations completely. Many former employees are now without a job or have to accept wage cuts in new constellations. At the same time, due to his contract until 2021 over EUR 4 million will be paid to Ex-CEO Thomas Winkelmann. He joined the airline just at the beginning of February this year.

The example of Air Berlin is not an isolated one. In some other companies the income gap is wide as well. There is no doubt that management positions should be well remunerated. But salaries of top managers have to be in a realistic relationship with the wages of the ordinary staff and the income of the middle management. On the subject of corporate responsibility, I remember the concept of social market economy, as promoted in post-war Germany by the former Minister for Economics Ludwig Erhard and lived by at least some executives for decades. The result is generally known as the German 'Wirtschaftswunder', the economic miracle. Nowadays, far too often for the common good, it's all about 'my good'. Salary excesses also endanger what is called social peace.

Close to the end of the year, I wish you some time for reflection. Common good might be a topic giving some food for thought.

Yours,

Andreas Schiller

Office property Pegaz in Wrocław has been developed by UBM Development. It was completed in 2016 and now sold to Warburg-HIH Invest.

WARBURG-HIH INVEST ACQUIRES OFFICE PROPERTY IN WROCŁAW

Warburg-HIH Invest Real Estate has acquired the Pegaz office property in Wrocław, Poland, on behalf of an individual fund for an institutional investor. Built in 2016 and centrally situated in inner-city Wrocław, the property has a total rental area of 20,900 square metres and 390 parking spaces. Pegaz, located at Kazimierza Wielkiego 3, was acquired from the Austrian developer UBM Development AG. The parties have agreed not to disclose the purchase price.

SALE OF PANATTONI PARK WARSZAWA-KONOTOPA

Panattoni Europe announces the sale of Panattoni Park Warszawa – Konotopa to MEP Industrial Centre Warsaw, owned by M&G European Property Holding. The multi-tenant logistics centre comprises two buildings totalling close to 50,000 square metres. After the sales transaction is completed, Panattoni Europe will retain responsibility for managing the park. The centre is located in the Ozarów Mazowiecki commune, near Warsaw, in direct vicinity of the Konotopa junction where the A2 motorway connects with the Warsaw bypass made up of the S8 and S2 expressways.

GRIFFIN PREMIUM RE ATTRACTS GLOBALWORTH AS INVESTOR

Griffin Premium RE has signed an investment agreement with Globalworth Asset Managers SRL, a subsidiary of Globalworth Real Estate Investments Ltd. Under the agreement and by way of a public tender offer directed to all investors of Griffin Premium RE N.V., Globalworth is to acquire, subject to certain conditions precedent, a minimum of 50.01 per cent and up to 67.9 per cent of the issued share capital of Griffin Premium RE N.V. while retaining the current listing of its shares at the Warsaw Stock Exchange.

In addition, Griffin Premium RE has contracted to acquire three office properties from EPP for an aggregate purchase price of approximately EUR 160 million. The office properties are West Gate in Wrocław, Tryton Business House in Gdansk and A4 Business Park in Katowice. The acquisition is expected to be completed by the end of January 2018.

West Gate situated in the north-western part of Wrocław is offering 16,600 square metres gross leasing area. The property has 2-storey underground parking space. In total, the property has some 320 car parking units. A4 Business Park is a complex of three office buildings with 30,600 square metres gross leasing area located in Katowice. The building I of the complex is arranged over seven storeys and buildings II & III over ten storeys. Additionally, the property incorporates a ten storey parking building. In total the property has over 600 car parking units. Tryton Business House in Gdansk comprises 24,000 square metres gross leasing area and is located at the junction of Jana z Kolna and Wały Piastowskie streets, in the vicinity of the inner city centre.

Galeria Północna, a development of GTC, has opened its doors to the public. The shopping centre in the north of Warsaw comprises 64,800 square metres of leasing area.

GALERIA PÓŁNOCNA IN WARSAW HAS OPENED

Galeria Północna, GTC's latest retail development in the Polish capital has officially opened. The mall has a total leasable area of 64,800 square metres and is located in the northern part of Warsaw on Swiatowida Street. GTC Group is both the investor and the manager of Galeria Północna. The new shopping mall comprises more than 200 shops, boutiques and service points of national and international brands, a food court, a cinema with 11 halls and parking with 2,300 spaces.

NEPI ROCKCASTLE ACQUIRES TWO SHOPPING CENTRES IN KRAKOW

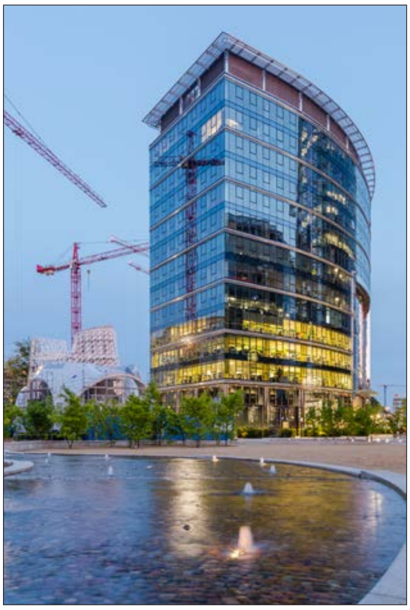
A wholly owned subsidiary of NEPI Rockcastle, Tuvalu sp.z.o.o, has entered into an agreement to acquire Serenada shopping centre (with a gross leasing area of 41,170 square metres, opened in October 2017) and the adjacent Krokus shopping centre (with a gross leasing area of 27,728 square metres), located in Kraków, for an aggregate purchase consideration of EUR 249.4 million, to be increased by future payments of approximately EUR 212 million, dependant on the completion of an extension which will result in a single integrated shopping centre with a gross leasing area of over 100,000 square metres. The acquisition will be effective on fulfilment of conditions precedent and conclusion of the final purchase agreement, which is expected to occur in Q1 2018.

HBK FINALIZES SALE OF POLISH RETAIL PORTFOLIO

In a deal worth EUR 60 million, HBK, asset manager of the Direkt Invest Polen fund, finalized the sale of its Polish retail portfolio to Master Management Group. The portfolio includes seven existing shopping centres, totalling 63,000 square metres of leasable space, as well as development land for new projects. The properties are located in Kutno, Ciechanowów, Piekary Slaskie, Józefosław, Lubin, Poznan and Szczecin. BNP Paribas Real Estate Poland advised HBK in the sale.

MLP GROUP TO DEVELOP A NEW LOGISTICS CENTRE IN SZCZECIN

MLP Group S.A. and J.W. Construction Holding S.A. will jointly build a new logistics centre in Szczecin. Ultimately, the total area of warehousing facilities to be constructed will be approximately 60,000 square metres. The development will be executed on a land plot owned by the J.W. Construction Holding. MLP Szczecin park will be located in the northern part of the city, in the Drzetowo-Grabowo district, just 4 kilometres from the city centre and approximately 18 kilometres from the A6 motorway junction in Kołbaskowo near the Polish-German border, easily accessible by national road no. 13.



Building B of Warsaw Spire complex is mainly occupied by the European Border and Coast Guard Agency of the European Union Frontex.

CA IMMO PURCHASES BUILDING B OF THE WARSAW SPIRE COMPLEX

CA Immo signed and closed a sales and purchase agreement to acquire the centrally located Warsaw Spire Building B office building at Rondo Daszynskiego in Warsaw. The transaction volume of the fully rented asset amounts to around EUR 100 million. The seller is the developer Ghelamco Poland, who completed the building in 2015.

Warsaw Spire Building B is part of the Warsaw Spire complex and offers 21,600 square metres of gross leasing area – of this, 96 per cent accounts for office space, the rest is retail and storage – as well as 263 underground parking spaces.

TRIUVA ACQUIRES OFFICE BUILDING IN WROCŁAW

Triuva has acquired the office building Green Day in Wrocław from a Luxembourg fund advised jointly by GLL Real Estate Partners and Investec Bank PLC. The purchase price is believed to be in the region of EUR 48.5 million. Green Day building is a 16,000 square metre office building located at Szczytnicka 9 in the centre of Wrocław close to the river Oder and the botanical gardens. GLL purchased Green Day upon completion in March 2014. The building was developed by Skanska. Triuva was advised on this transaction by Dentons and King & Spalding, Colliers and Arcadis; and GLL was advised by JLL, Hogan Lovells, PWC, and Sentient.

CONSTRUCTION LOAN FOR GALERIA MŁOCINY

Echo Investment and EPP (Echo Polska Properties) have concluded a loan agreement worth EUR 175 million and a VAT loan of PLN 34 million with Bank Zachodni WBK S.A. as an agent as well as PKO Bank Polski S.A. and Bank Gospodarstwa Krajowego. The acquired funds will be used for the construction of Galeria Młociny in Warsaw. The loan was granted for the construction period and a five-year investment period. Galeria Młociny is a shopping and office centre with a combined leasable area of 82,000 square metres, 71,000 square metres of which is earmarked for retail, entertainment and gastronomy. The construction of the first stage started in October 2016 and the completion is planned for Q1 2019.

MLP GROUP TO DEVELOP ADDITIONAL WAREHOUSE SPACE NEAR WARSAW

MLP Group has enlarged the area of the MLP Pruszków II logistics park by 5 hectares of land to be developed with an additional 25,000 square metres of warehouse space. The expanded logistics park will cover a total of 72 hectares of land and will ultimately have approximately 285,000 square metres of warehouse and office space.

The Art-déco-building Skoduv Palac in Prague has been constructed in 1929 and completely refurbished in 2006. The building is completely leased to the City of Prague.

GLL ACQUIRES SKODUV PALAC IN PRAGUE

GLL Real Estate Partners has purchased 100 per cent of the shares in Skoduv Palac s.r.o, which is the owner of Skoduv Palac in Prague 1, from Guyana Holding Sarl. The 23,000 square metre office property is fully-leased on a long-term rental contract to the City of Prague. The historic Art-Deco style complex was built in 1929, and was comprehensively refurbished in 2006 exclusively for the City of Prague to house a number of public, administrative, and operational management departments within it.

SKANSKA ADDS FURTHER PROJECT TO ITS PRAGUE PORTFOLIO

Skanska Property is expanding its project portfolio in Prague. The developer purchased the Key office project in Prague 4 (Pankrac) from CSAD Praha Holding. Construction is planned to begin this year and completion is scheduled for early autumn 2019. The building will be located between the streets Sdružení and 5. kvetna, in the premises of the former bus station. In terms of size, it will be Skanska's biggest office project in Prague so far with approximately 37,000 square metres in two phases.

REFINANCING FOR FASHION ARENA PRAGUE OUTLET

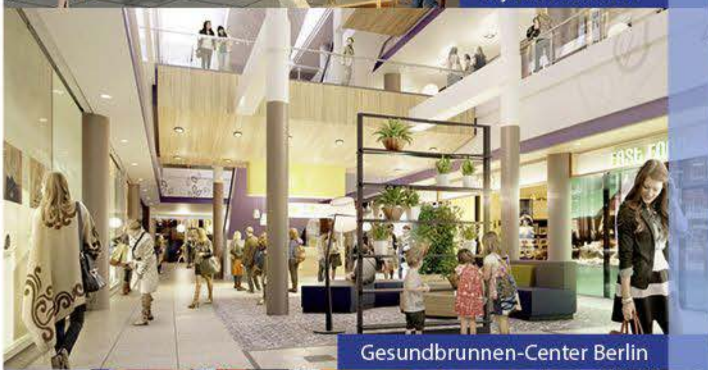
pbb Deutsche Pfandbriefbank provided an investment facility of EUR 50 million to VIA Outlets for the refinancing of Fashion Arena Prague Outlet. VIA Outlets is a joint venture focusing on outlet centres across Europe, created by APG, Hammerson Plc and principals from Meyer Bergman and Value Retail. This is pbb's second transaction with the venture after a CHF 50 million acquisition financing for Landquart Fashion Outlet (Switzerland). pbb acted as arranger and sole lender under both facilities. Fashion Arena Prague is one of only two outlet centres in the Czech Republic completed in 2007 and extended in 2010. It is located 11 kilometres east of the city centre. It offers a gross lettable area of over 25,000 square metres in retail space and was substantially renovated in 2016.

BMO REP ACQUIRES VAN GRAAF DEPARTMENT STORE IN PRAGUE

BMO Real Estate Partners, pan-European property investment and asset management specialist that is part of Canada's BMO Financial Group, announced the purchase of a department store in Prague, which is occupied by Van Graaf, on behalf of investors in its pan-European retail property investment fund. BMO Real Estate Partners acquired the building from MTK Developments, a Vienna-based European real estate developer. The asset is located on Wenceslas Square 17 and comprises 12,000 square metres of rental area over six storeys.

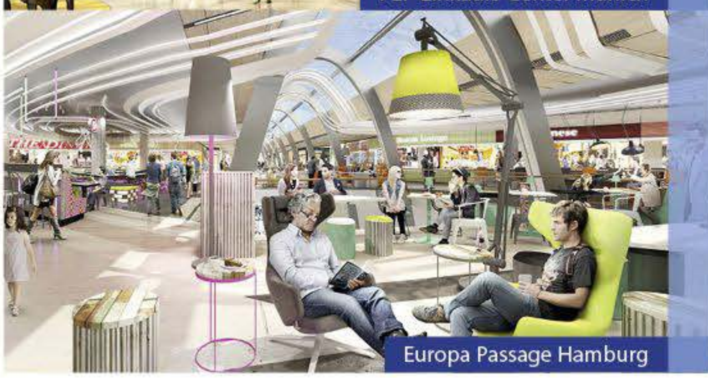

Löhr-Center Koblenz


MyZeil Frankfurt


Gesundbrunnen-Center Berlin


Hallen am Borsigturm Berlin


PEP Einkaufs-Center Munich


Europa Passage Hamburg

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Warsaw Hub is a mixed-use project. It comprises two office towers, each of them 130 metres high, and a smaller, 86-metre hotel building.

GHELAMCO SECURES FINANCING FOR WARSAW HUB

Ghelamco secured a EUR 221 million loan for the construction of its mixed-use Warsaw Hub project. The funding was granted by a consortium of five banks: Bank Zachodni WBK, Pekao SA, PKO Bank Polski, Raiffeisen Bank Polska and Bank BGZ BNP Paribas. The Warsaw Hub is underway at Rondo Daszynskiego in the city's Wola district. The scheme includes three skyscrapers: an 86-metre hotel building and two 130-metre office towers. All the buildings will be joined by a five-story foundation, which will create a big city frontage along Towarowa street. Completion is scheduled for 2019.

REMODELLING OF SUN PLAZA IN BUCHAREST

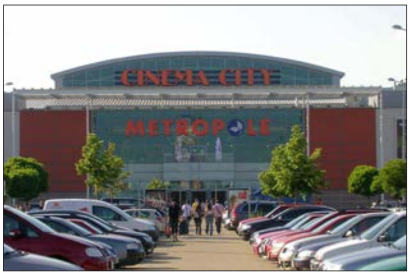
More than 25 new shops have opened in Sun Plaza shopping centre in Bucharest, after the completion of the second phase of the remodelling process undertaken by Austrian real estate investment company S Immo AG. The reconfiguration process of Sun Plaza was divided into three phases, over a period of 24 months. The first phase resulted in redesigned shopping space for both new and existing retail anchors. It also included a remodelling and extension of the subway access. The second phase, an extension of 5,500 square metres is now completed. The third phase will be completed in 2018. The whole reconfiguration process will mean in the end 11,000 square metres of new retail and leisure space and 9,000 square metres redesigned from the existing retail spaces.

HIPARK IASI – A NEW MIXED-USE PROJECT

Ropharma has announced the launch of a new mixed-use project of offices and residential, with a full range of services and retail space, in Iasi in Romania. The estimated investment amounts to around EUR 39 million. HiPark will consist of an office building with 21,000 square metres of gross leasing area and a 9-storey residential building with large studios or 2 – 3 rooms. HIpark is located near the Bucsinescu intersection, next to Sfantu Lazar Street and Tudor Vladimirescu Boulevard.

NEPI ROCKCASTLE ACQUIRES PARADISE CENTER IN SOFIA

NEPI Rockcastle has acquired all the issued shares in, and claims against, Bulfeld EOOD, the owner of Paradise Center in Sofia, for EUR 252.9 million. The transaction will be effective upon obtaining approval of the Bulgarian Competition Authority. With a gross lettable area of 82,000 square metres, Paradise Center is the largest retail centre in the capital city of Bulgaria. The centre is located in the southern part of Sofia and has been opened in 2013.



Commerz Real has sold 50 per cent of its shares in shopping centre Metropole Zlicín in Prague to Unibail-Rodamco.

JOINT VENTURE FOR METROPOLE ZLICIN IN PRAGUE

Commerz Real has founded a joint venture together with Unibail-Rodamco for the Prague shopping centre Metropole Zlicin, which has until recently been fully owned by its open-ended real estate fund hausInvest. To this end it has sold 50 per cent of its shares in the property company to Unibail-Rodamco. It was agreed that confidentiality be maintained on the purchase price. Unibail-Rodamco will be assuming the asset and property management for the centre. In Prague the French real estate company already owns two other shopping centres: Centrum Chodov and Cerny Most.

MODERNIZED FOOD COURT AT SILESIA CITY CENTER

ECE and Allianz have opened the new, comprehensively modernized food court of Silesia City Center in Katowice. The refurbishment and modernization of the food court with a size of approximately 3,000 square metre was conducted during ongoing operations in the centre in a construction time of approximately five months. All in all the owners invested EUR 2 million into the modernization. The new food area has 330 seats and is divided into five different themed areas, each with its individual colour concept: Kutchina (kitchen), Barek (beer garden), Weranda (terrace), Salon (living room), Jadalnia (dining room) and a playground.

IKEA: BUILDING PERMIT FOR ITS SECOND STORE IN BUCHAREST

Ikea, Swedish furniture retailer, announced that is has obtained the building permit for the construction of its second store in Bucharest, located on Boulevard Theodor Pallady no.57. The company plans to begin construction works shortly and is expected to complete the project by the end of 2018. The second Ikea store in Bucharest will have a gross built area of 37,000 square metres.

EXPANSION OF CRAIOVA MALL

French real estate group Catinvest plans to expand Electroputere Parc in the Romanian city of Craiova by 9,200 square metres. The group has also started the construction of an additional mixed-use building which will comprise 12,000 square metres of retail space, 15,000 square metres of office space and over 700 underground parking spaces. Total investment will exceed EUR 70 million. Construction works of the extension are already ongoing and opening is scheduled for the first quarter of 2018. In addition to this extension, Catinvest has also started the construction of a mixed-use building, located between the main parking lot of Electroputere Parc and Kaufland, which will directly connect the supermarket to the existing retail area, creating a new retail zone with a gross leasable area of over 110,000 square metres. The opening of Electroputere Parc mixed-use building is scheduled for the second half of 2018.

Oregon Park in Bucharest will be enlarged by a third office building with approximately 25,000 square metres.

THIRD BUILDING IN OREGON PARK IN BUCHAREST

Real estate developer Portland Trust and American investment fund Ares Management LP will invest EUR 50 million in the development of the third building at Oregon Park in the northern part of Bucharest. The new office building will comprise 25,000 square metres and should be completed by the end of 2018. Once completed, Oregon Park will comprise 70,000 square metres. Portland Trust will also start the development of a new office project called Blue Rose on Expozitiei Boulevard, near Bucharest's exhibition centre called Romexpo.

CTP: NEW CLUJ-NAPOCA DEVELOPMENT

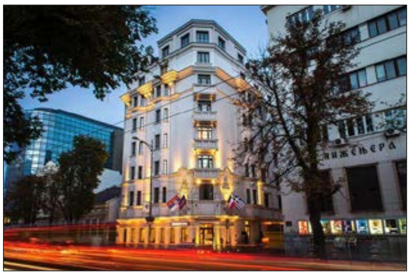
CTP will invest EUR 15 million in developing a new logistics park near Cluj-Napoca in Romania. CTPark Cluj II will be located in Floresti, Cluj County and will have a total leasable area of 29,000 square metres on 65,000 square metres of land. The logistics park will be developed in two phases, with the first part to be handed over in March 2018 and the second part to be completed in H2 2018.

STRABAG TO EXPAND AND MODERNISE DUBROVNIK AIRPORT

The European-based construction group Strabag is helping to modernise and expand Dubrovnik Airport in Croatia. The EUR 122-million contract will be carried out by a joint venture in which Strabag holds a 53.92 per cent share. The modernisation and expansion of the airport runways and of the runway lighting system should be completed by the autumn of 2019. The works also include the construction of a rescue and fire station, a hangar, and several service and administration buildings.

TWO NEW RETAIL PARKS IN SERBIA OPENED

Mitiska REIM, in partnership with Poseidon Group, has announced the opening of two new retail park developments in Serbia – Capitol Park Rakovica and Capitol Park Sombor. Capitol Park Rakovica with a gross leasable area of 19,700 square metres is the largest retail park in Belgrade. The new development has over 30 shops and parking for more than 700 cars. Mitiska REIM and Poseidon Group plan a second phase in 2018 which will include extending the fashion mix and the addition of a petrol station and a fast food restaurant that increases the retail park size to 25,000 square metres of gross leasing area. The first phase of Capitol Park Sombor is a 3,510 square metre development located adjacent to the city's main bus station and football stadium, with parking for more than 250 cars. Lidl will open next door to the retail park in 2018.



Mercure Belgrade Excelsior is the first hotel of the Mercure brand that has opened in Serbia.

THE FIRST MERCURE HOTEL IN SERBIA OFFICIALLY OPENED

Mercure Belgrade Excelsior, the first hotel of the Mercure brand in Serbia, has been officially opened. At the moment, Mercure Belgrade Excelsior Hotel offers 73 rooms, a restaurant and a conference hall. Located in the Belgrade city centre, it is managed by Orbis Hotel Group in partnership with the owner and investor Lampsa Hellenic Hotels.

FOCUS ESTATE FUND ACQUIRES MOST RETAIL PARK

Focus Estate Fund acquired Most Retail Park located in the Czech city of Most with 6,471 square metres of retail space. The seller of the property, Danish company TK Development, was represented by Dentons. The buyer was backed by Kocián Šolc Balaštík (KSB) and BDO, while the funding was partly obtained from Raiffeisen Bank.

CTP ACQUIRES EX-NOKIA BUILDING IN KOMÁROM

CTP acquired the ex-Nokia building in Komárom in Hungary. The 52,771 square metre property is located on a 137,001 square metre site in Komárom Industrial Park. The property was purpose-built in three phases between 1999 and 2004 and was designed by Nokia for their specific use and requirements. The whole site comprises three main buildings and further technical facilities which support the operation of the factory.

CONSTRUCTION LOAN FOR GALERIA LIBERO IN KATOWICE

Echo Investment has concluded a contract with Bank Zachodni WBK S.A. as an agent as well as Bank BGZ BNP Paribas S.A. concerning a loan of over EUR 67.5 million and a VAT loan of PLN 12 million. The funds will be used for the construction of Galeria Libero in Katowice. Galeria Libero comprises an area of 45,000 square metres of gross leasing area.

SKANSKA INVESTS IN A NEW OFFICE PROJECT IN PRAGUE

Skanska invests EUR 27 million in the office project Praga Studios in Prague. The seven-floor building will offer a total leasable area of about 12,000 square metres. Praga Studios is located in Karlín district of Prague. Construction has begun and the office building is scheduled for completion in the second quarter 2019.

developing projects
realising opportunities

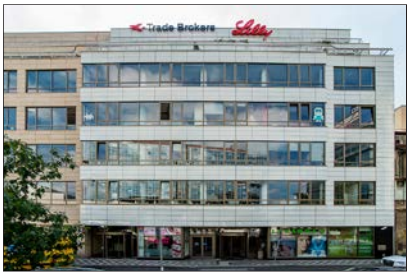
UBM Development AG is the leading hotel developer in Europe. The strategic focus is on the three clearly defined asset classes Hotel, Office and Residential and the three core markets of Germany, Austria and Poland. With 144 years of experience, UBM focuses on its core competency – developing real estate. UBM has been listed on the prime market segment of the Vienna Stock Exchange since August 2016.

QBC 1 & 2, Vienna

The construction parts QBC 1 & 2 consist of three office buildings. The groundfloor will be used as a gastronomy and retail area. The buildings consist of eight floors and a roof deck which can be used by all tenants. With this project the last construction stage of Quartier Belveder Central will be finished.

The Brick (Kühnehöfe), Hamburg

On the former area of Kühne KG UBM develops a mix of high-class freehold apartments and low priced rented apartments. "The Brick" will be built in the central but quiet area of Hamburg Bahrenfeld, Ottensen. Despite the high residential density the disctrict close to the centre offers many local parks.



Oasis Florenc in Prague 8 (Karlín) has changed hands and is now owned by a fund of Corpus Sireo.

CORPUS SIREO BUYS OASIS FLORENC OFFICE PROPERTY IN PRAGUE

Corpus Sireo Real Estate has acquired the Oasis Florenc office property in Prague from an international investor. The purchased asset is located near the Vltava river and will now be included in the pan-European DEREIF SICAV-FIS fund. The parties agreed not to disclose the purchase price. The property was completed in 2007 and offers 18,700 square metres of office and retail premises with 141 parking spaces.

PANATTONI PARK CHEB EXPANDS

After completion of the second part of the construction in Panattoni Park Cheb, Tchibo has opened an expanded distribution centre for its e-shop. The rentable space increased from 39,000 square metres to 73,000 square metres. This means that in Cheb has grown the second largest logistics hall in the Czech Republic and Tchibo's largest distribution centre in Central and Eastern Europe. Operations of the first part of the building were commenced on 2 December last year.

The investment totalling CZK 1.6 billion (EUR 62.4 million) is one of the largest in the Karlovy Vary region, which the government has designated a structurally-affected area. Cheb industrial zone currently occupies approximately 40 hectares.

NEPI ROCKCASTLE BUYS ARENA PLAZA IN BUDAPEST

NEPI Rockcastle has acquired the Arena Plaza shopping centre in Budapest from Symmetry Arena Ingatlankezelö Kft. The aggregate purchase price paid for the transaction was EUR 275 million. With a gross leasable area of 66,000 square metres Arena Plaza is the second largest retail centre in Budapest. Located in the eastern part of the city, close to the country's main international railway station, the shopping mall was opened in November 2007.

REFINANCING OF EUROPA MALL IN BANSKÁ BYSTRICA

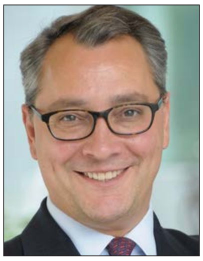
pbb Deutsche Pfandbriefbank provided an investment facility of EUR 22 million to CBRE Property Fund Central and Eastern Europe (CBRE PFCEE), an investment fund focusing on retail assets in Poland and Slovakia, managed by CBRE Global Investors. This is the second transaction after the refinancing of Wars Sawa Junior retail scheme one month ago. CBRE PFCEE will use the proceeds for the refinancing of the Europa shopping centre in Banská Bystrica in Slovakia. pbb acted as arranger and sole lender under the facility. Europa Mall is the largest shopping centre in the Banská Bystrica region, completed in 2006 and extended in 2016. It is located on the edge of the commercial pedestrian zone in the city centre of Banská Bystrica. The asset offers a gross lettable area of over 33,000 square metres in retail space spread over four floors.

STAFFING


left: Jürgen Fenk
right: Georg Folian

Jürgen Fenk has taken up the post of joint CEO at Signa Holding GmbH and also serves as a Member of the Signa Group Executive Board. Jürgen Fenk has a degree in business administration as well as extensive experience of the banking, capital market and property sectors. He was previously Member of the Management Board of Landesbank Hessen-Thüringen (Helaba), where he was responsible for real estate, debt capital markets and financial institutions. He is also a Member of the Global Board of the Urban Land Institute (ULI) and Chairman of ULI Germany.

Georg Folian will be stepping down as Deputy Chairman of the Management Board at Warimpex Finanz- und Beteiligungs AG. Georg Folian will therefore leave the Management Board before the expiration of his current tenure, on his 70th birthday on 1 January 2018. In 1971, Georg Folian began at Warimpex, which was founded by his father Stefan Folian in 1956. He was appointed to the Management Board for the first time in 1986, at which time he was responsible for the specialisation in real estate projects in CEE together with his former university colleague Franz Jurkowitsch. After the completion of numerous hotel and office development projects, Georg Folian played a key role in having the company listed in Vienna and Warsaw in 2007. In addition to his position on the Management Board, Georg Folian has a passion for the fine arts.

left: Herman Kok
right: Philip La Pierre

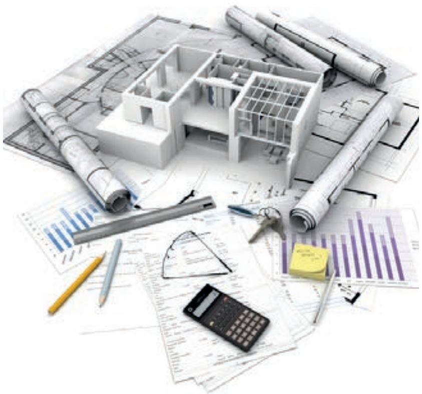
Herman Kok has taken over the newly created role of Head of Research at European investment manager Meyer Bergman. Herman Kok joined Meyer Bergman following a 16-year career at Multi Corporation, where he worked in a variety of functions, including research for investment activities and international expansion. He began his career at a real estate consultancy in Budapest and in 2001 joined the International Council of Shopping Centers' (ICSC) European Research Group as a senior research analyst. Herman Kok received his doctorate in Human Geography at Utrecht University and has a Master in Real Estate Management, which he obtained from Antwerp Management School. He is a guest lecturer at several universities, a Member of Royal Institution of Chartered Surveyors RICS and remains involved in ICSC research as a European Research Group member.

Philip La Pierre is Co-Chief Investment Officer at Corestate Capital Holding S.A. since 1 November 2017. Philip La Pierre was most recently Head of the Investment Management Europe department at Union Investment Real Estate, which he joined in 2009 as Head of Investment & Asset Management for Germany. Prior to Union Investment, Philip La Pierre, a trained lawyer, was Head of Transactions Germany for ING Real Estate. Before that, he was an investment manager at Credit Suisse.


left: Waldemar Olbryk
right: Martin Sabelko

Waldemar Olbryk has been appointed to Echo Investment's Management Board. He is responsible for development of the residential sector. Waldemar Olbryk works in Echo Investment since August 2017, and previously worked for Skanska Group companies, acting among others as the Managing Director of the development business, manager of units responsible for new businesses such as public-private partnership or shared services. Before 2008 Waldemar Olbryk worked for Philips Polska, Apsys Polska, and BP.

Martin Sabelko is Managing Director of the recently opened Warburg-HIH Invest Austria office. Martin Sabelko is a doctor of law and has almost 30 years of real estate industry experience, which he primarily gained in Austria, the Czech Republic and Hungary. Most recently, he served as Managing Partner with the hoigroup. He also served as Managing Director at CBRE Global Investors Central and Eastern Europe, SABCON and DTZ Zadelhoff.



LETTINGS

ATRIUM GARDEN, WARSAW — POLAND

Weco Travel, a company specializing in corporate travel, has moved to the Atrium Garden office building on Aleja Jana Pawła II Street in Warsaw. The company is to occupy nearly 1,000 square metres of office space. JLL represented a fund of Deka – the building's owner – during negotiations on the lease agreement. Atrium Garden is an office building that offers approximately 19,000 square metres of office space for lease on 15 floors. The underground levels include a parking lot with 220 parking spaces.

DOMANIEWSKA OFFICE PARK, WARSAW — POLAND

The buildings Alfa and Beta in Domaniewska Office Park in Warsaw's Mokotow district, are attracting new tenants. The Avalon Foundation signed a new lease agreement and will occupy 800 square metres. Multi Communications, a PR agency, leased 400 square metres. AFM, a financial services and asset management provider, renewed its lease agreement for more than 300 square metres. Knight Frank acted on behalf of Deka Immobilien, the property owner, in the leasing processes. The Avalon Foundation and Multi Communications were advised by Walter Herz. The buildings Alfa and Beta form part of Domaniewska Office Park located in 50a/b Domaniewska Street. Each property offers over 8,600 square metres of leasing space.

LOPUSZANSKA BUSINESS PARK, WARSAW — POLAND

Alior Bank, a leading Polish bank, has renewed its lease and expanded its Warsaw office to 13,600 square metres at Łopuszanska Business Park. The owner of the office complex is Starwood Capital Group. Cushman & Wakefield advised on the transaction. Łopuszanka Business Park comprises two six-floor office buildings providing 16,800 square metres of office space. It is located in Warsaw's Włochy district, near the junction of Jerozolimskie Avenue and Łopuszanska Street.

MYHIVE CROWN POINT, WARSAW — POLAND

Bobo Coworking is a new coworking operator on the Polish market. The first location with an area of approximately 1,700 square metres will open in the business centre of myhive Crown Point, located in the Wola district of Warsaw. JLL acted as broker for this transaction. myhive Crown Point was delivered to market in 2004 and offers approximately 10,250 square metres of office space. The building consists of eight floors above ground and two below with parking for 88 vehicles. It is located in close proximity to the Rondo Daszynskiego roundabout.

WARSAW FINANCIAL CENTRE, WARSAW — POLAND

Truphone, a global mobile connectivity distributor, has signed a lease on 450 square mteres at Warsaw Financial Centre. Knight Frank acted on behalf of the tenant in the leasing process. Warsaw Financial Centre is located at the corner of Emilii Plater and Swietokrzyska streets and offers 50,000 square metres of space.

GALERIA LIBERO, KATOWICE — POLAND

Another Polish brand – a shop of the Diverse clothing brand with an area of 300 square metres – has joined Galeria Libero which is being developed by Echo Investment in the south of Katowice. Located at the junction of Kosciuszki Street and Kolejowa Street, Galeria Libero comprises an area of 45,000 square metres for more than 150 shops, numerous restaurants, cafes, clubs, a cinema multiplex, squash and badminton courts, a fitness club and a billiards club. The shopping centre is planned to be opened in spring 2018.

PANATTONI PARK JANKI II — POLAND

UDH, distributor of international beer brands and food products in Poland, has leased 2,000 square metres of warehouse space at Panattoni Park Janki II. AXI Immo represented the tenant in the lease transaction. Janki is located in Warsaw region. It ensures fast access to the capital city and at the same time to express roads in the direction of Katowice and Krakow. Panattoni Park Janki II will feature two warehouse halls totalling more than 37,000 square metres.

P3 PIOTRKÓW, PIOTRKÓW TRYBUNALSKY — POLAND

In the 61,000 square metre building that is developed at P3 Piotrków park in central Poland, Kühne + Nagel takes 56,000 square metres. The logistics facility is specifically designed for Kühne + Nagel and is scheduled for completion in January 2018. P3 Piotrków park comprises 90,105 square metres of existing warehouse space and land allowing the construction of an additional 400,000 square metres.

P3 POZNAN, ROBAKÓWO — POLAND

Colian Logistichas leased 9,000 square metres of warehouse space in P3 Poznan warehouse park. JLL represented the company, part of Colian Holding SA, in the negotiation of lease terms. P3 warehouse park is located in Robaków – in close proximity to Poznan and adjacent to the A2 motorway which links Warsaw, Poznan and Berlin as well as the S11 expressway. Furthermore, it is only 20 kilometres from Poznan-Ławica airport.

BLUE ROSE OFFICE PARK, BUCHAREST — ROMANIA

ING Bank signed a lease on 20,000 square metres of office space at Blue Rose Office Park, a development by Portland Trust on Expozitiei Boulevard in Bucharest. The location will serve as the Dutch bank's new Romanian headquarters. CBRE represented ING in the relocation process. Blue Rose Office Park will offer 42,000 square metres in three buildings. Completion is scheduled for spring 2019.

THREE DAYS OF INFORMATION FLOOD

This year's Expo Real was even bigger and more multifaceted than ever before. The more difficult it was to get a clear picture of the main topics and key aspects of the fair.

Also at Expo Real smart phones are present in every talks.

Messe München as organiser of Expo Real could announce again record figures. From 4th to 6th October 2.003 companies, cities and regions exhibited in the six halls – 13 per cent more than in the year before. The exhibitors originated from 35 countries. The top ten countries of origin, after Germany, were Austria, the Netherlands, Romania, France, Hungary, Luxembourg and the USA. The total of participants amounted to more than 41,500 – an increase of about 6 per cent compared to last year's event. The total number of participants is made up of some 20,000 trade visitors.

To keep it in a nutshell: Expo Real was as booming as the real estate industry in general. And in fact, the mood in the exhibition halls was basically positive and exhibitors were happy about the strong interest they attracted. That is true not only for the 'big players' with their respective prominent stands, but as well for those who normally are less en vogue.

Professor Clemens Fuest, President of ifo Institute, gave an overview of the general economic situation.

Thus only the sun was shining over the halls? At least not by the weather – there was the one and the other black cloud passing by and the one and the other cloudburst. But the halls are roofed, so the fair's participants were protected. Similar to the situation in the halls many seem to judge the situation on the real estate markets, mainly on the German market that is still deemed to be a 'save haven'. The flipside of the coin, however, is that the respective products are scarce, prices high and yields very low. Therefore Andreas Mutscher, Chairman of the Board of Commerz Real is not the only one admitting: "Germany is off-limits for us. We do not want to take higher risks."

Even if not everybody shares this critical view on the German market, the investment boom in CEE/SEE proves that some investors are at least looking also there for opportunities. Markets like Hungary and Romania, after the crisis of 2007/2008 for a long time rather disregarded, are meanwhile gaining high interest. However, this interest is not only caused by higher yields, but especially in Romania as well by the strong economic growth. Besides the low interest rates economic growth is one of the drivers of the real estate markets.

According to ifo Institute business climate index, economic situation and growth expectations are positive and all three indicators are showing the tendency to increase. As Professor Clemens Fuest, President of ifo Institute, stated in his opening key note in Expo Real Forum, economic growth is rather modest, but in Germany we are far away from that kind of bubble that collapsed in 2007/2008 in the USA. According to him interest rates will not change fundamentally in the foreseeable future, because – as he continued – the low interest rates are also caused by a decline in labour productivity, demographics and oil price decline.

Positive sentiment not only with panellists but in property industry as well.

The topic 'interest rates' was also in the focus of the second panel ""No interest, no worries". Participants in the discussion have been Dr. Edgar Zoller, Deputy CEO of BayernLB, Dr. Gertrud R. Traud, Chief Economist and Head of Research, Helaba Landesbank Hessen-Thüringen, Thomas Landschreiber, CIO, Corestate Capital Group, and Professor Tobias Just, Academic Director and Managing Director of IREBS Immobilienakademie. Also Edgar Zoller stated that markets are shaped by overliquidity at the best, but not by a bubble, because – as he continued – compared with the crisis of 2007/2008 the real estate industry is acting rather conservative than speculative. Tobias Just characterised the current situation as a 'sweet spot', an ideal situation. However, the disadvantage of a sweet spot is its "latent instability". To gain more stability interest rates have to increase. According to Tobias Just ECB's target of a 2 per cent inflation rate is met since long – not in the market basket of consumer goods, but with all assets.

That seemed to confirm the optimism in the real estate industry. However, the critical remarks about the changes concerning all society could no be ignored. At the one hand Professor Clemens Fuest emphasized the urgent need for education and training, on the other hand he admitted that in economies in which "the winner takes it all" the positive effects of "advantage by education" become clearly weaker.

Still more explicit was the US nobel laureate in economics Joseph Stiglitz in his keynote about "Uncertainties in Economics and Politics: What matters? What is the influence for real estate?".

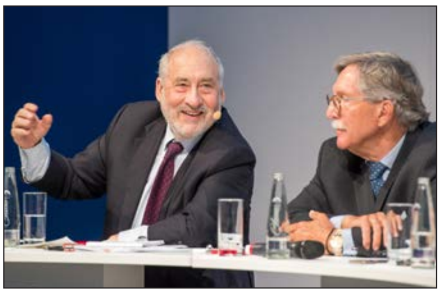
To remain with the uncertainties, unprecedented and forecast by nobody: the rules based global economic order created over the last 70 years is under attack exactly by the country that was the driver of this order: the USA. The European project is increasingly being questioned, not only by Brexit, but as well by right-wing populist governments in EU countries. That all is challenging the achievements of the last seven decades: peace in Europe, huge increase in standards of living, the seemingly successful transition of Central and Eastern Europe from Communism to market economy.

Clearly he demonstrated the consequences of the widening gap between the poor and the rich in the USA, a development that is also to observe in Europe. Distinct as well were his statements about the economic development in Europe. Its economic weakness is not at least caused by poor construction of the EU and the euro zone. As a solution there will be either more or less Europe. Making a single currency system work for an economically diverse group countries is difficult and has to go wrong, because with the introduction of the euro two key mechanisms of adjustment – the exchange rate and the interest rate – were taken away and nothing else has been and could have been put in place.

Generally his remarks left little room for optimism, because the only thing for certain is an unprecedented uncertainty in the global landscape. Therefore it is "difficult navigating these dangerous shoals". But Joseph Stiglitz would not have been an American if not mentioning at the end that "times of risk and uncertainty are also times for opportunity", adding "provided that decisions are guided by careful analyses of the risks and uncertainties".

Given this the weather during Expo Real corresponded with the atmosphere in the halls: on the one hand the sunshine of the real estate boom, on the other hand many dark clouds in the sky. There is to hope that Gertrud Traud proved right that even the situation is becoming relatively worse it has not necessarily to be bad.

From the 'sunshine' in the real estate industry also the markets in CEE/SEE are benefitting. That is proven not only by increasing transaction volumes in these countries but as well by the strong interest the exhibitors from these countries experi-



Two gentlemen getting along well with each other: Joseph Stiglitz und Lorenz Reibling, Chairman of Taurus Investment enced. That is true also for a 'newcomer' like the Republic of Moldova, present at Expo Real for the first time. Marin Cernea, Business Development Manager, Regions, of giz Deutsche Gesellschaft für internationale Zusammenarbeit, and organizer of the stand, was happy about the performance of Moldova in Munich, although there is still a lot to do to make his country and its opportunities better known.

Since some years Hungary and here mainly Budapest has returned into the focus of international investors. To this development contribute the sound real estate fundamentals and a solid economic outlook, as Noah Steinberg, Chairman and CEO of Wing, explained in the panel discussion in Investment Locations Forum. "The Budapest market is currently fighting rather with a lack of investments products than with a lack of interest", he stated.

It is mainly attractive yields the Hungarian market is offering, but they are linked with certain risks. One of these risks is the political development of the country – or as André Zücker, Managing Director Real Estate of KGAL Investment Management summed it up: "There is a red line and if the Hungarian government doesn't cross this line everything will be fine. But if they do, investors will pull out their money." Only some week before the fair KGAL has acquired two office buildings in Budapest.

In the discussion about Poland the introduction of REITs was one of the topics. This investment vehicle is planned to be introduced in Poland in mid-2018. Dr. Franz Jurkowitsch, Chairman of the Board of Warimpex, and Jeroen van der Toolen, Managing Director CEE of Ghelamco are convinced that this will give a further boost to the real estate investment market. REITs will cause that mainly Polish pension funds will gain increased means to invest in real estate, Franz Jurkowitsch continued. The decisive question, however, is the structure of the Polish REITs. According to Bogdan Zasada, Managing Director Branch Poland, Strabag Real Estate, it will depend on this structure if REITs in Poland will become a success story or not.

All panellists agreed that Poland and its real estate markets are different to all other CEE/SEE markets. Beside its size the differentiating fact is that international investor's interest is not only concentrated on the capital city of Warsaw, but there have been developed attractive investment markets also in big regional cities.

This development towards regional cities is still at its beginning in Romania. Therefore it was surprising that only short time before Expo Real Immochan has purchased a big office project not in Bucharest but in Brasov – Coresi Park. Tatian Diaconu, CEO of Immochan Romania, justified this decision: "In some segments the investment market in Bucharest is overheated."

In the segment of industrial real estate there are already regional 'hot spots' developing very rapidly, as Dana Bordei, Head of the Industrial Services Advisory and Transaction of CBRE reported. Most of them are located in the western part of Romania, but the eastern regions are also showing high potential. Here, however, the transportation systems have the need to be improved. A decisive criterion for the settlement of production companies is the availability and quality of workforce, she explained.

The joint stand of Romania at Expo Real attracted more interest than ever before.

That must have sounded like music in the ears of the exhibitors at the joint stand organised by AHK Romania (German-Romanian Chamber of Commerce and Industry). Because many of them were from counties in the north-east of Romania, from Bukovina and Moldavian region, bordering the Ukraine and the Republic of Moldova. Also Iasi, the second largest city of Romania, was present. For many Romanians Iasi is 'The Cultural Capital' of the country. Once it was the capital of the Principality of Moldavia. Today the city with 396,000 inhabitants, a mostly young population and several universities is also an important IT centre. Iasi has train connections to all big cities in Romania as well as an international airport. To Chisinau in Moldova it is only 170 kilometres, to Bucharest nearly 400 kilometres.

In a certain sense the Moldavian region is competing with Moldova. Although once they formed a united principality, today they are divided not only by a national border but also by the border between EU and non-EU countries. That offers opportunities, mainly for those oriented further to the east. For both there is to wish that they will become better known as investments locations and that they will have long-term economic success. I **Marianne Schulze**

TO SECURE THE FUTURE OF RURAL REGIONS

Digitalisation is offering new opportunities especially for the future of rural areas.

Attractive regions and cities for the next generations was the main topic of a conference in Salzburg. The focus was especially on rural regions. Digitalisation, renewable energies and start-ups were some of the other topics. But all the discussions took place with reference to Europe and the EU.

With over 250 participants from more than a dozen of countries the 13th Conference of European Regions and Cities in Salzburg was well attended. This year the event organised by the Institute of Regions of Europe IRE was dedicated to the "next generation". IRE is based in Salzburg, and in Austria it is suggesting itself that the international participants have been mainly from the CEE/SEE countries.

The opening of the conference was a panel discussion about "The next generation of new EU member states". First, the Austrian EU Commissioner Johannes Hahn, fittingly responsible for European Enlargement Negotiations and Neighbourhood Policy, presented the timetable for the next EU memberships up to 2025, but also emphasised that there is no speed limit in negotiations about potential memberships and put the main focus on the EU candidate countries of the Western Balkans. Because for the following panel discussion the respective Vice-Premiers or Ministers for Foreign Affairs of Bosnia and Herzegovina, Kosovo, Macedonia and Montenegro as well as the Minister for European Integration of Serbia and the Deputy Minister for Europe and Foreign Affairs of Albania came to Salzburg.

The next day "How to keep rural areas attractive for future generations" was on the agenda, followed by "The next generation of renewable energy" and "Start-ups in the regions – The future for the young generation". It might sound like a potpourri of topics but similar to a leitmotiv it was the rural area that was in the main focus in all this day's conference events, i.e. also in the discussions about renewable energy and start-ups. The closing event of the IRE conference was a symposium about "Private higher education institutions – a chance for the next generation".

Not only in Austria and Germany people are leaving the rural areas. The increasing migration into the cities is to observe in all countries in Europe and all over the world. Bigger cities and mainly the respective capital city are attracting especially younger people. Who once is migrating into a city is leaving his native place – often forever. The worst result is that in villages and small towns empty buildings and only older as well as less flexible people remain.

Fact is an increasing urbanisation and that more and more people are living in the very confined space of cities. On the other hand, in rural areas, however, there is a great many of space for living, but a decreasing number of people using this space. Adding the aspect of working and housing, then soon it becomes evident, that many people come into the cities for working, but living space is hardly or even not affordable. In the rural areas it is exactly vice versa: living space is low priced, but jobs and the possibilities for education and training are very limited.

Regarding the housing sector there is to observe an opposing trend. Given the low and often expensive supply of living space in the cities, more and more people prefer to live in the regions surrounding the cities. From Monday to Friday overcrowded trains and traffic jams are proving how many commuters are on their way in the morning into the cities to the workplaces and in the evening back home. However, not only the price for living space is in favour for leaving the big cities. Living in the countryside is often more attractive, the air is of better quality and the environment is more green. Structures are simpler – that has not to be a disadvantage –, but landscape and the sky are offering wider perspectives literally and in a wider sense.

Living is one thing, working another one. Meanwhile we all know how fundamentally the working environment has changed by digitalisation. In times of laptop and smartphone it is often heard

Regenration of rural areas: a project of Mihai Eminescu Trust in Romania

that it does not matter where we work. That is, for sure, not completely the fact, but to a certain extent it is true. Professions mainly using or based on digital tools have not necessarily to be exercised in a city or in a capital city. In this case rural areas and settlements can be a reasonable alternative. There not only living costs are lower but labour cost as well. The decisive criterion is connectivity. This does not only mean roads and railway connections, but as well internet access. In other words: the pre-condition for a future companies location is this connectivity, as Irmfried Schwimann, Deputy Director General in the European Commission for Internal Market, Industry, Entrepreneurship and SMEs in Brussels, pointed out in the discussion about "Start-ups in the regions". It seems unbelievable, but in her home-country Austria there are still regions without internet access. Here the need to change and improve the situation is quite strong. To avoid further desolation of the rural areas internet access is imperative, Irmfried Schwimann emphasised.

The EU member country Romania is quite developed regarding internet access – the network is almost ubiquitous and digital rates are high. Nearly everywhere free WiFi is offered. Cristian Macedonschi, Member of the City Council in Brasov and President of Smart City Brasov, reported that exactly by these conditions a vivid and growing IT industry has developed in his city.

Some 100 kilometres northeast of Brasov there is Sighisoara. From there Caroline Fernolend, Director of Mihai Eminescu Trust, has travelled to take part in the conference in Salzburg. Mihai Eminescu Trust is dedicated to the conservation and regenerations of villages and communes in Transylvania and Maramures. The number of 1,100 regeneration projects is impressing, even more because the Trust attaches great importance to the spatial and architectural cohesion of each project. Therefore the Trust speaks of the "Whole Village Projects". Among the Trust's activities in 25 villages and four communes are also projects in Viscri where HRH Charles Prince of Wales is the most prominent owner of a restored house. Caroline Fernolend mentioned "common good" and "common interest" as the main principles for the preservation of cultural heritage as well as its redevelopment and conversion in villages and small towns.

Kurt Weinberger may have admired this engagement. The Director General of Österreichische Hagelversicherung (Austrian Hail Insurance) is looking at rural areas in the context of ecology and sustainability and is arguing vehemently against unnecessary soil sealing. Once sealed by construction the ground is mostly completely lost for an agricultural use. Therefore he insists on the use of the existing building stock and the redevelopment of vacant buildings. Regarding spatial planning he stands up for a "stronger awareness of these contexts" and for "an

Representatives of the Western Balkans with EU Commissioner Johannes Hahn (third from right) and conference host Franz Schausberger (right); below Caroline Fernolend (left), Irmfried Schwimann (right) and Kurt Weinberger (in the middle)

incentive system for the use and redevelopment of existing buildings".

Users of such buildings could be start-ups. Although the panel discussion was headlined "Start-ups in the regions – The future for the young generation", start-ups can be also seen as the future of rural areas. With Walter Haas, Director of ITG Innovationsservice für Salzburg (Innovation Service for Salzburg), a company supporting start-ups, Nenrad Moslavac, Co-Founder and Managing Director of the start-up centre Impact Hub in Belgrade in Serbia and the former Minister for Infrastructure and Spatial Planning Samo Omerzel, today CEO of Vendotel in Novo Mesto in Slovenia, and Tadeusz Truskolaski, Mayor of Bialystok in Poland, representatives of the respective capital of their country or bigger cities were on the panel. But all of them offered substantial insights into the start-up scenery of their country. As manifold the businesses of start-ups and as different the costs to establish a business in the respective countries are, as well the discussion proved that common elements are mutual support and public funding.

Generally the term start-ups is a bit fuzzy. Does it include every newly founded business or are start-ups today characterized only by digital solutions, i.e. do they belong to the group of FinTechs, PropTechs or whatever -Techs? This fuzziness is corresponding with the term 'regions'. Regions do not only mean rural areas, but includes also cities and even capital cities because they necessarily are located in a region and forming its centre. And here again is the link to Europe. 'Region' is a term especially promoted by the EU. There is a European Committee of the Regions and the term 'region' enables to define, to realise and to support culturally and spatially connected cross-border areas.

Crossing frontiers also in thinking is what enables to find new and unorthodox approaches. It is easy to agree with Tadeusz Truskolaski explaining that the start-ups in his city are contributing to keep mainly younger people in Bialystok therefore countervailing the migration to Warsaw. To put it more generally: good local offers help to avoid migration and at the best to win people and thereby also earnings. And again we are talking about rural areas and concepts to maintain and strengthen the villages and smaller towns.

Andrä Rupprechter, Federal Minister of Agriculture, Forestry, Environment and Water Management in the Government of Austria, remembered that in Austria 90 per cent of the total area is rural areal where two thirds of the total population are living. At the conference he presented the "Master plan for rural areas" published this year. Topics are e.g. an ecologically reasonable land use, decentralised administration, digitalisation, but as well culture, cuisine and – linked with these two topics – tourism.

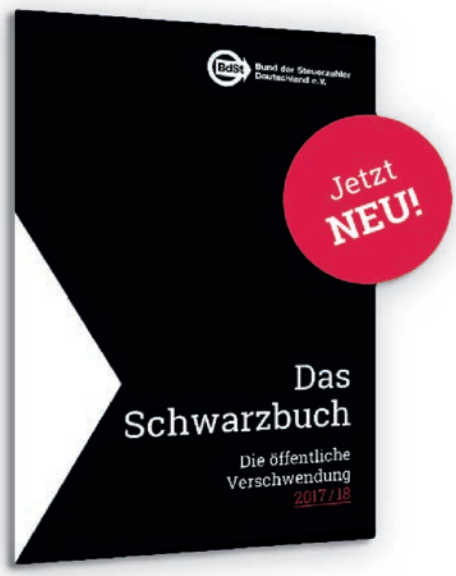
Franz Schausberger, Chairman of IRE Institute of Regions of Europe and Member of the European Committee of the Regions, developed the idea to issue a "White Paper for rural areas in Europe". It remained an open question, if Andrä Rupprechter's recommendation to take the Austrian master plan as a model will be realised. But generally Franz Schausberger's proposal attracted great interest and first potential contents of such a White Paper were already intensely discussed.

However, books and papers are one thing, praxis is another thing. It means more than good ideas, it means – sometimes mainly – financial feasibility and finding financial support. Regarding the latter Marc Fähndrich, Representative of the European Commission in Austria, referred to the so-called Juncker Plan, officially headlined "Investment Plan for Europe". The total investment target is currently at EUR 315 billion. A substantial part of the Juncker Plan is the European Fund for Strategic Investments EFSI. Marc Fähndrich mentioned the European support during the discussion about start-ups – for them it can be very helpful. However, the means are also available for other investment projects, but they "have to be sustainable", Marc Fähndrich added. "A diesel engine would not fit into the concept." I Andreas Schiller

FOR YOUR PLANNING

When	What about	Where	For information and registration
15.–17. November 2017	Mapic The International Retail Property Market	Palais des Festivals, Cannes, France	www.mapic.com
22.–24. November 2017	re.comm 2017 6. Real Estate Leaders Summit	Kongresszentrum Kitzbühel, Austria	www.recomm.eu
23.–26. January 2018	48. Annual Meeting of World Economic Forum	Congress Centre, Davos, Switzerland	www.weforum.org
27. February 2018	Conference: „Cities of Tomorrow"	JW Marriott Hotel, Calea 13 Septembrie, 90 Bucharest, Romania	www.rumaenien.ahk.de
13.–16. March 2018	Mipim The World's Leading Property Market	Palais des Festivals, Cannes, France	www.mipim.com
27.–30. June 2018	ERES 25th Annual Conference	Real Estate & Planning, Henley Business School, University of Reading UK	www.eres.org
8.–10. October 2018	Expo Real 21st International Trade Fair for Property and Investment	Messe München, Messegelände, Munich, Germany	www.exporeal.net

WASTE OF PUBLIC FUNDS



Bund der Steuerzahler Deutschland e.V. (Publisher)
Das Schwarzbuch 2017/2018
192 pages (in German only)
Berlin, October 2017
To order free of charge at:
www.schwarzbuch.de

In autumn every year Bund der Steuerzahler Deutschland (Association of Taxpayers Germany) is publishing a Black Book with examples of the waste of public funds by federal, state and municipal authorities.

Internationally, the image of Germany is that of a well-controlled country. Money wasting and unnecessary spending by public authorities do not really fit in that picture. However, doubts are already caused by the meanwhile never-ending story of the development of the Berlin international airport and the discussions about Elbphilharmonie in Hamburg. Besides these prominent examples there are still many more, proving that a lot of money is burnt by wrong decisions or by neglecting the follow-up costs by public authorities.

There are municipalities that have invested in expensive healthcare facilities, but operation caused increasing deficits. Finally the losses were no longer affordable and the facilities were closed down. But also without operating the buildings cause substantial costs every year. Or the example of a big city that decided to develop a representative townhouse as an event location. Already the calculated construction costs of EUR 18.4 million increased by more than one third to EUR 24.7 million. When the building was just completed the City Council changed the concept of use: the building should also comprise an ecclesiastical museum. That this change of concept will cost some money again is for sure. Whether such a redevelopment will cause a good solution for a museum, is to doubt.

Bad planning and changes during the development process or – even worse – after completion are often happening. Another topic is the development of functional constructions that in the end were rather extravagant. An example is a simple maintenance and storage facility for a forestry authority that could also be used as a work yard during bad weather periods. The result was an innovative wooden construction for EUR 600,000. But extravagance is not limited to buildings: In some cities public dustbins are rare – because regular clearance costs money. Other cities, however, spend money for real high-tech containers that need a special clearance and regular maintenance.

Another stumbling block is creating new leadership positions. The question arises whether a financially weak city needs a head for a new department taking over tasks that previously have been assigned to other departments in the municipal administration. After only two years the head of the new department had to leave his post because the City Council voted him out. But this head of a department will get 71 per cent of his salary – some EUR 6,000 every month – until the end of his term, i.e. in six years.

Nearly 120 examples of an at least questionable spending of public money are listed in the Black Book. Many of them are 'normal' carelessness and sometimes caused by decision maker's lack of awareness that they are working with other people's money, i.e. taxes we all have to work for.

imprint

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UID: *DE270670378*

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

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