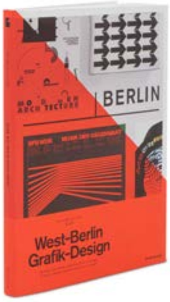
No. 72 | January 2020

SPH newsletter



DEAR READERS!

In Augsburg the new year started with something special. Since January 1, 2020, in the inner city buses and trams can be taken gratis. Nine stops, among them the central railway station, are included. Augsburg is the first city in Germany offering such a service. On a larger scale Luxembourg is following on March 1, 2020. At this date the Grand Duchy will be the first country in the world where the use of all national public transport means, financed by the state, is free of charge in the whole territory.

Both, Augsburg and Luxembourg, demonstrate what sustainable mobility means. It has not to be always and everywhere the private car to go from A to B. Of course, the inner city of Augsburg is a small area, but in the city centre the limit value for air pollutants has been exceeded several times.

Luxembourg is a small country, but on working days thousands of commuters are on the streets – in the morning into and in the evening out of the country's capital city. Furthermore, the option to hop in and to hop off without any charge is also attractive for visitors, because entering a tram or a bus without having to buy a ticket and to understand the often complicated ticket machines makes life easier.

When I came to know about both projects I was enthusiastic. Now I am curious if and how far these offers are accepted and which experiences will be the result. Hopefully, it will be successful. And then perhaps other cities and countries groaning with the traffic will follow with similar ideas. That is at least what I wish.

Yours,

Andreas Schiller

Day Tower in Bucharest has a gross lettable area of 11,750 square metres and is located in walking distance to the metro station Piata Unirii.

CFH ENTERS ROMANIAN REAL ESTATE MARKET

Corporate Finance House Group (CFH), a Middle Eastern investor, has acquired the holding structure owning Day Tower office building in Bucharest, developed by Day Group. The asset is located in close proximity to the historic centre of the city, the National Library of Romania, and the Palace of Parliament Building. The property, which was completed in 2018, is let to Enel. The purchase price was not disclosed.

SOUTH KOREAN INVESTOR BUYS LOGISTICS FACILITY IN PRAGUE

Roebuck Asset Management has acquired a logistics warehouse in Dobroviz, located on the west side of Prague, on behalf of a South Korean institutional investor. The 125,000-square metre purpose-built facility is let to Amazon until 2030. The asset is located in the immediate vicinity of Václav Havel International Airport in Prague.

CROMWELL ON SHOPPING SPREE IN POLAND

Cromwell European Real Estate Investment Trust (CEREIT) has completed the acquisition of two office buildings in Krakow from Brassa SP and a third office building in Poznan from Vastint Poland.

The Green Office in Krakow is a freehold office building, which was purchased for EUR 52.2 million. Comprising 22,954 square metres of lettable space, the asset is located in Krakowski Park Technologiczny Special Economic Zone. The second property, Avatar, was purchased for EUR 27.8 million. The office building is situated in an established office location close to the centre of Krakow. It comprises 11,341 square metres of space which is fully let to BGZ BNP Paribas. The third asset CEREIT acquired for EUR 88 million from Vastint Poland is Business Garden in Poznan. With a total lettable area comprising 42,267 square metres of office space, the business park is located within a large academic cluster with more than 110,000 students and 24 universities, as well as being positioned between the international airport and city centre, close to a large shopping centre.

S IMMO ACQUIRES OFFICE PROPERTY IN ZAGREB

S Immo AG has acquired the office building Hoto Tower in the Croatian capital Zagreb from the Austrian Signa Group. The 60-metre-high office tower is located along the Savska Cesta in the southwest of the Central Business District. The Hoto Tower offers a lettable space of approximately 15,000 square metres on 15 floors and 249 basement parking spaces.

The Dum V Templu building in Prague's Old Town dates back to the 17th century and is comprising eight apartments and three office units as well as a restaurant on the ground floor.

FLOW EAST BUYS PRAGUE OLD TOWN BUILDING

Flow East, a Czech-based developer which specialises in the high-quality renovations of historical buildings, has purchased the Dum V Templu building located on Celetná 27 in the Old Town (Staré Mesto) of Prague. The name of the building, which was granted heritage status in 1958, is derived from the Knights Templar, a Catholic military order who are believed to have originally settled in this location in the late 13th century. The original building was replaced in 1664 by a hospital, which was then connected to the neighbouring Church of St Peter built in 1671. Both buildings were subsequently converted into a residential building in 1784 and today provide a total gross leasable area of 1,069 square metres comprising eight apartments, three office units, ground floor retail space and a restaurant. The building has one underground and four above-ground floors. Flow East purchased the building for an undisclosed sum.

ABERDEEN STANDARD SECURES WARSAW WAREHOUSE

Aberdeen Standard European Logistics Income PLC has exchanged contracts to acquire a newly built fully income-producing logistics warehouse in Warsaw for a purchase price of EUR 27.5 million. The agreement is with Panattoni Development Europe and Marvipol Logistics. The warehouse is located in an established logistics location in Poland along the A2 motorway which is one of the arterial routes for Warsaw and benefits from proximity to the city. The logistics centre comprises two warehouses totalling 24,626 square metres, including 1,959 square metres of office space.

HGA EXITS THE BUDAPEST'S OFFICE MARKET

HGA Capital, a member of the Caristo Management Group, has sold the Oktogon House office building in central Budapest to a company belonging to Rimo Holding AG. The transaction price has not been disclosed. The Oktogon House complex comprises three parts: a seven-storey, 7,300-square metre office building, a six-storey, fully renovated historical building and a parking garage with 339 parking spaces. HGA Capital acquired the building in 2017 for EUR 15 million from Austrian investor Maculan Holding GmbH. With the sale of Oktogon House, HGA Capital has disposed of its last building in Budapest and exited the Budapest office market.

CTP BUYS BUSINESS PARK IN KOŠICE

CTP has acquired a business park located at the Košice airport from Erste Bank. Now named CTPark Košice the business park consists of 5 industrial buildings with a total lettable area of 57,000 square metres and provides additional space for further development of new buildings of approximately 21,000 square metres.

The Czech investor CPI Property Group has purchased two office buildings on Aleje Jerozolimskie in Warsaw: Equator IV from Karimpol Polska (above) and Eurocentrum from Capital Park (below).

CPI PROPERTY GROUP ACQUIRES TWO OFFICE BUILDINGS IN WARSAW

The Czech investor CPI Property Group has completed two acquisitions in Warsaw: the Equator IV office building from Karimpol Polska and Eurocentrum office complex from Capital Park. The purchase prices were not disclosed.

Completed in June 2018, Equator IV offers more than 20,800 square metres of gross lettable area and 226 parking spaces. The asset is situated on Aleje Jerozolimskie in Warsaw's Ochota district. Located also on Aleje Jerozolimskie, the office complex Eurocentrum is composed of three sections, offering over 85,000 square metres of usable space for lease, including 3,500 square metres of retail and service space.

GLOBALWORTH TO ACQUIRE TWO OFFICE BUILDINGS IN POLAND

Globalworth has signed a preliminary sale and purchase agreement with Cavatina Holdings SA to acquire two office developments in Poland on their completion scheduled for Q1 2020: Chmielna 89 in Warsaw and Tischnera Office in Krakow. The maximum transaction consideration for the two assets has been set at EUR 185 million, with the final consideration to be determined on their leasing status at completion.

Chmielna 89 is a 14-storey office development, situated directly adjacent to the company's 34,000-square metre Warta Tower in central Warsaw, and offers 25,000 square metres of space. Tischnera Office is located south of the historic centre of Krakow and comprises 34,000 square metres.

APSYS ENTERS POLAND’S RESIDENTIAL SECTOR

Retail developer Apsys Polska has started preparing its first residential project, which will be built in Warsaw’s Mokotów area in a joint venture with an undisclosed partner. Apsys is planning to build two premium apartment buildings on a plot of almost 4,000 square metres at Bartłomieja 2, near the Służewiec racecourse. These will be five-storey buildings with approximately 100 apartments. The project is scheduled for completion in December 2021.

REICO BUYS DUBNICA II INDUSTRIAL PARK IN SLOVAKIAI

The Czech investment company REICO investicní spolecnost Ceské sporitelny has acquired the Dubnica II industrial park in western Slovakia. The 16,600-square metre asset space consists of a warehouse, technical and office space. Park Dubnica II was built in 2018.

With 50,000 square metres Galerie Butovice in Prague 5 is the sixth largest shopping centre in the Czech capital city.

INVESTIKA ACQUIRES GALERIE BUTOVICE IN PRAGUE

Czech open real estate fund Investika has purchased the Galerie Butovice shopping centre located in Nove Butovice in Prague 5, from Cromwell Property Group. The asset offers over 50,000 square metres spread over two floors, including a parking facility for 1,400 vehicles. The centre has been reconstructed in 2016 and 2017. The purchase price was not disclosed.

CPI PG BUYS WARSAW FINANCIAL CENTER

A joint venture between Curzon Capital Partners III (CCP III), a real estate fund advised by Tristan Capital Partners, and Allianz Real Estate has sold one of Warsaw's skyscrapers, Warsaw Financial Center (WFC) to CPI PG, a Warsaw and Luxembourg listed investor, developer and asset manager. The purchase price was not disclosed. Standing at more than 144 metres tall with 36 floors, Warsaw Financial Center comprises almost 50,000 square metres of lettable area. The property also offers 333 internal parking spaces spread across six above-ground floors in the building.

MITISKA REIM EXPANDS ROMANIAN RETAIL PARK PORTFOLIO

Mitiska REIM, in association with its Romanian country partner Square 7 Properties, has opened its latest retail park development in the city of Braila in the east of the Romania. The new retail park has a gross leasable area of 7,800 square metres. The site is anchored by a Lidl supermarket and offers parking for 237 cars.

This latest opening follows two other new retail park developments in Romania over the past six months. In June, Mitiska REIM and Square 7 Properties opened a 3,600-square metre gross leasing area development in the western Romanian city of Drobeta Turnu Severin. The site has parking for 130 cars. October saw the opening of a smaller project in the eastern city of Bacau, comprising 2,000 square metres of gross leasing area.

In total, Mitiska REIM now operates 26 retail parks in Romania, representing a retail area of more than 110,000 square metres.

FUTUREAL ACQUIRES ANTARES OFFICE COMPLEX IN WARSAW

Futureal Group has acquired Antares office building in Warsaw. Built 16 years ago, the complex will be fully modernized. The asset is located at Marynarska Street and comprises 9,400 square metres of rentable space and an underground parking facility for 84 vehicles. The purchase price was not disclosed.

The office building Feniks is located on Zelazna Street in Warsaw. It has been developed by Europlan and Griffin Real Estate and was completed in 2012. Main tenant of Feniks is the environmental bank BOS.

KOREAN INVESTOR ACQUIRES FENIKS IN WARSAW

Korean investor Eugene Investment & Securities has acquired the Feniks office building in Warsaw's Wola district with a total rental space of 10,000 square metres from Patrizia AG. In the transaction Warburg-HIH Invest Real Estate acted on behalf of Eugene Investment & Securities. Feniks was built in 2012. The parties have agreed to maintain discretion concerning the purchase price.

PANATTONI STARTS NEW PROJECT NEAR GDANSK AIRPORT

Panattoni Europe embarks on a new project near the Tricity Airport – Panattoni Park Gdansk Airport: a distribution centre with close to 107,000 square metres. Completion of construction works is planned for mid-2020.

ADVENTUM INTERNATIONAL BUYS WARSAW OFFICE BUILDING

Adventum International, a Malta-based investment fund manager, has acquired the 10,000-square metre office building Renaissance Plaza in Warsaw's Wola district from REInvest Asset Management, a Luxembourg-based asset and fund manager. The 7-storey building is fully leased to Orange Polska S.A. Renaissance Plaza was redeveloped in 1998, with the last quite significant refurbishment taking place in 2016.

Already in July 2019, Adventum acquired the 18,000-square metre Poznan Financial Center from Peakside Capital Advisors.

WING EXPANDS TO POLAND

Wing has acquired a 100-per cent stake in Lisala, which in turn owns a 56.96-per cent stake in Echo Investment, a company listed on the Warsaw Stock Exchange (WSE). Supporting Echo Investment's long-term growth program, Wing enters as a strategic investor. At the operational level, the two companies will continue to operate independently.

DRFG ACQUIRES OLOMOUC SHOPPING CENTRE

Local investor DRFG, through its Czech Real Estate Investment Fund, has acquired the Olomouc City shopping centre from Mint Investments. The Olomouc City shopping centre offers 20,000 square metres of retail space. The purchase price was not disclosed.

The former headquarters of Romanian BCR, the historic Oscar Maugsch Palace in Bucharest, has been acquired by the Luxembourg-based Vivion Investment Fund.

BCR SELLS BUCHAREST HISTORIC PALACE

Romanian bank BCR has completed the sale of the historic Oscar Maugsch Palace, located on Bucharest's Universitatii Square, to the Luxembourg-based Vivion Investment Fund. The building was finalized in 1906, based on Oscar Maugsch's architectural plans, and before becoming BCR's property it was the headquarters of Generali Insurance Society. The palace occupies 4,000 square metres of land, including the former garden of the Sutu Palace, currently the Bucharest Municipality Museum, and has 12,000 square metres distributed in two buildings. It served as BCR's headquarters before the bank moved its central offices on Calea Victoriei.

EUROPA CAPITAL SELLS RADISSON COLLECTION HOTEL IN WARSAW

Europa Capital has sold the Radisson Collection hotel in Warsaw on behalf of its value-add fund, Europa Fund V to Wenaas Hotels Europe A/S, part of the Norwegian Wenaasgruppen. The sale follows the comprehensive refurbishment of the property, which has been upgraded from a Radisson Blu to a five-star Radisson Collection branded hotel. The 311-room hotel will continue to be operated by Radisson Hospitality AB under an international management agreement.

AFI EUROPE EXPANDS ITS ROMANIAN OFFICE PORTFOLIO

AFI Europe N.V. and NEPI Rockcastle concluded the transaction for the acquisition of NEPI Rockcastle's office portfolio in Romania, with a total gross leasing area of 118,500 square metres. The transaction value is in excess of EUR 300 million.

The acquired portfolio consists of four office buildings situated in Bucharest and Timisoara: Floreasca Business Park, located at 169 Calea Floreasca, Bucharest, with 36,470 square metres gross leasing area; The Lakeview, located at 301—311 Barbu Vacarescu Street in Bucharest, with 25,907 square metres gross leasing area; Aviatorilor 8, located at 8A Aviatorilor Blvd., Bucharest, with 8,203 square metres gross leasing area; Timisoara City Business Center, located at 10 Coriolan Brediceanu Street, Timisoara, with 47,936 square metres gross leasing area.

WOOD & CO. ACQUIRES THE GREENLINE IN PRAGUE

Wood & Company has acquired The Greenline office building in Prague 4 from Karimpol International. Located in the heart of the Pankrac business district, the building offers 15,500 square metres of leasable space. The price of the transaction has not been disclosed by mutual agreement.

Centrum Posnania in Poznan opened in October 2016 and is the biggest shopping centre in the Wielkopolska Voivodeship.

ALLIANZ REAL ESTATE REFINANCES CENTRUM POSNANIA

Apsys announced it has refinanced the Centrum Posnania retail asset with a 10-years maturity, EUR 300 million senior loan from Allianz – completed by Allianz Real Estate on behalf of several Allianz companies – and that it now owns 100 per cent of the 100,000-square metre property in Poznan. Posnania opened in October 2016.

ADVENTUM INTERNATIONAL BUYS BUDAPEST SHOPPING CENTRE

Malta-based investment fund manager Adventum International has acquired the Köki Terminal shopping centre in Budapest for its Adventum Quartum investment fund. Köki Terminal is situated at the Köbánya-Kispest junction of the Hungarian capital, which is one of the most important intermodal hubs, serving the X. XIX and XVII. districts of Budapest. The hub is reinforced by subway, train, bus and tram connections and also seated on the route leading to the airport and M0 ring road. The shopping centre, completed in 2011, is composed of 60,000 square metres retail and over 6,000 square metres office space across 4 storeys.

SKANSKA SELLS OFFICE BUILDING IN POZNAN

Skanska ended 2019 with a divestment of a second office building in the Nowy Rynek complex. The contract worth EUR 36 million was signed with Corum in August. The Nowy Rynek complex is an office development located in the central business district of Poznan. The second building sold to Corum comprises a total leasable area of approximately 12,000 square metres.

Nowy Rynek is a Skanska multiphase investment, consisting of five buildings located within a walking distance of key city spots – the railway station, Adam Mickiewicz University, or the Old Town.

CER FUND BUYS KRAKÓW MIXED-USE SCHEME

The Catella European Residential (CER) Fund has acquired a mixed-use development project of residential apartments and student accommodation in the Polish city of Kraków for around EUR 20 million from U.S. developer Hines. The 154 new apartments and 139 student units purchased by CER are part of a large new residential development scheme constructed by Hines and located close to the old city centre and market square. The residential apartments extend over two buildings, with the student accommodation in a third. The three CER buildings will operate in the future under the collective brand "Trio Kraków."

STAFFFING

left: Aleksandra Karczewska
right: Robert Kubinsky

Aleksandra Karczewska was named senior associate of the investment services department at Colliers International in Poland. Aleksandra Karczewska has six years of experience in investment advisory in the commercial real estate market. She has previously worked for Burlington Real Estate, BSC Real Estate Advisors, Sharman Church Chartered Surveyors and Pekao SA.

Robert Kubinsky has been appointed new CEO of HB Reavis Hungary. He is following Jan Hübner who has been the CEO of the Hungarian branch for the last three years and is stepping down after 10 years at the company. Robert Kubinsky joined HB Reavis 8 years ago as Head of Operating Finance. For the past two years he was Head of the HR Department. Prior to joining HB Reavis, his career was shaped by 15 years of experience in international financial institutions.

left: Jörn Stobbe
right: Chris Zeuner

Jörn Stobbe is new Chairman of the Management Board at Union Investment Real Estate GmbH. In this role he is following Dr. Reinhard Kutscher. As well as becoming Chairman of the Management Board, Jörn Stobbe will take over the leadership of Union Investment's Real Estate segment from Dr. Reinhard Kutscher. After more than 20 years in the management team at Union Investment Real Estate GmbH, including the last 12 as Chairman, Dr. Reinhard Kutscher has left Union Investment on 31 December 2019 due to reaching retirement age. Jörn Stobbe, has been a member of the management team at Union Investment Real Estate GmbH and at Union Investment Institutional Property GmbH since February 2017. Alongside Jörn Stobbe, the management board of Union Investment Real Estate GmbH includes Martin J. Brühl, who is responsible for global investment management, and Volker Noack, who is in charge of asset management.

Chris Zeuner has been appointed a Non-Executive Director at 7R – one of Poland's logistics and warehouse developers. Chris Zeuner takes on this non-executive position at 7R while remaining fully committed to his current role of Head of Europe at Amstar, where he is responsible for managing the company's international platform, primarily in CEE. Chris Zeuner has over 20 years' experience of investing in and managing commercial real estate. Prior to joining Amstar in 2017, he was Head of LaSalle Investment Management's Central European business, Managing Director at JER Partners and Head of CEE acquisitions and business development at GE Real Estate.

OBITUARY

Yury Mikhailovich Luzhkov, Mayor of Moscow from 1992 to 2010, died on December 10, 2019 in Munich. Born in 1936, Yury Luzhkov became member of the executive branch Moscow city in 1987. In 1991, when Gavriil Popov became the first elected Mayor of Moscow, Yury Luzhkov took the role of Vice-Mayor. When Gavriil Popov resigned in June 1992, Yury Luzhkov was appointed Mayor by Boris Yeltsin. He held this position until 2010 when he was dismissed by President Medvedev after government-controlled television channels had run programmes criticising the Mayor of wrongdoing and corruption. During his time as Mayor of Moscow Yury Luzhkov was responsible for the rebuilding of the Kazan Cathedral and the Resurrection Gate at Kremlin and of the Cathedral of Christ the Saviour, but as well for the development of the Moscow International Business Center Moscow-City.

LETTINGS

ATRIUM CENTRUM, WARSAW — POLAND

The fitness club CityFit has leased 1,170 square metres at Atrium Centrum in Warsaw. Atrium Centrum is a seven-storey office building located on Jana Pawła II avenue in Warsaw. The property offers 14,500 square metres of space.

UNIVERSITY BUSINESS CENTER I, WARSAW — POLAND

Solar panel producer Edison Energia has leased 400 square metres of office space at University Business Center I in Warsaw. The eight-storey office building, totalling 11,000 square metres of space, is located at the junction of Szturmowa and Taminy streets in the capital. The property is owned by Atenor.

WITOSA POINT, WARSAW — POLAND

Regus has leased over 1,500 square metres of space in the Witosa Point office building. The office will occupy the fourth and fifth floors of the complex. Witosa Point offers over 6,600 square metres of office space as well as retail and service space located on the ground floor. The building consists of six storeys above ground and an underground, two-storey car park with over 110 parking spaces.

ZEBRA TOWER, WARSAW — POLAND

The IZ company Cloudity has renewed its lease agreement and expanded its office to 700 square metres in the Zebra Tower office building. The owner of Zebra Tower is Union Investment, represented in the transaction by Cushman & Wakefield. Zebra Tower is a 17-floor office building offering over 17,000 square metres of space. Zebra Tower also has an underground car park which has 124 parking spaces.

BCB BUSINESS PARK, GDANSK — POLAND

Deltamarin, which provides services for marine companies, has leased 1,000 square metres in building B2 at BCB Business Park in Gdansk. BCB Business Park is a business centre located in Gdansk-Rebiechowo. At full build-out, the project will offer 50,000 square metres of office space. Building B2 is the second of the five buildings planned for the complex. It was completed in 2017 and offers 9,000 square metres of office space.

NEON, GDANSK — POLAND

The Gdanskie Wydawnictwo Oswiatowe publishing house has leased 2,500 square metres at the Neon office building in Gdansk. Neon is the last building to go up at the Alchemia office complex. The building offers 35,000 square metres and is linked to the Argon building in the complex via a passageway with numerous restaurants. The Alchemia office complex was designed by APA Wojciechowski Architekci.

OLIVIA GATE, GDANSK — POLAND

The HR consultancy firm ManpowerGroup has leased 1,200 square metres of office space at Olivia Gate in Gdansk. Olivia Gate is part of Olivia Business Centre, the largest office complex in northern Poland. Located on Grunwaldzka avenue, the property offers more than 17,000 square metres of office space spread on seven floors as well as a two-level underground car park with 365 parking spaces.

EQUAL BUSINESS PARK, KRAKOW — POLAND

The high-tech company Equiniti has leased 2,350 square metres of office space at Equal Business Park C in Kraków. The third phase of Cavatina Holding's project was completed in late 2018 and is the largest building at Equal Business Park. The building offers 23,000 square metres of office space.

PRINCIPIO, KRAKOW — POLAND

Elektromontaz Kraków has leased 620 square metres of office space at Principio in Kraków. Principio is located on Armii Krajowej street and includes two blocks totalling 11,000 square metres of leasable space. The investor is Eko-Park S.A., a member of the Zasada Group.

V OFFICES, KRAKAU — POLAND

OpenX has leased 1,700 square metres of space at V Offices in Kraków. The global online advertising company has an option to expand its space at the office building in the future. V Offices is located in central Kraków and offering a gross leasing area of 38,000 square metres of which 25,000 square metres will be office space. The property is owned by AFI Europe.

ORHIDEEA TOWERS, BUCHAREST — ROMANIA

Thales Romania leased another 5,300 square metres at Orhideea Towers in Bucharest. The French company now occupies nearly 11,000 square metres of office space, doubling is space at the complex, which is owned by CA Immo. Located in the western part of the capital, Orhideea Towers offers about 36,500 square metres of leasable space in two H-shaped buildings, connected by a glazed bridge.

UNIRII VIEW, BUCHAREST — ROMANIA

Google has leased an entire floor at the Unirii View office building in Bucharest. The floor offers more than 1,000 square metres of space. The building was developed and completed at the end of 2018 by Belgian entrepreneur Yves Weerts, in collaboration with Speedwell. The investment is valued at EUR 33 million. Unirii View has a total leasable area of approximately 17,300 square metres.

PLENTY FOR 20

Where does 2020 and the new decade go to? Which challenges lie ahead for the real estate industry?

To dare an outlook on future developments is always just crystal-ball gazing. However, we are in January and asking all ourselves what the new year and the new decade might bring up. The following is neither about Brexit nor international trade conflicts – there is a lot to read about in many other places – nor about remaining low interest rates and negative interests on liquidity reserves.

There are many factors influencing real estate investments and the real estate industry. For the new year and the new decade, the headline "Plenty for 20" put it in a nutshell.

The good news is that still a great amount of money is in search of investment opportunities, with real estate one of the most attractive investment possibilities. "The global real estate investment management industry has more than doubled in size over the past five years, from EUR 1.62 trillion in 2014 to EUR 3.6 trillion today", reported the trade magazine IPE Real Assets published in UK in December 2019. That shows there is more than enough money available for property investments – a trend that will continue also in 2020.

However, there are also less good news. Nearly unanimously investors, investment managers and consultants complain of the lack of adequate products. Even if a lot is depending on the individual investment strategy, it might be also an excuse for some market participants not to invests or not to be able to invest. What is comprehensible, however, is the fact that in cleaned-out markets prices are high. While multiplier for investment products are skyrocketing, yields are showing a downwards movement. Some years ago, at least in Germany there was to hear "The 5 is the new 7", but now more often the slogan is "The 3 is the new 5".

High prices have still another effect. What is not find in one location, is perhaps available in another place. First the smallest change in investment destination: In capital cities investors turn increasingly away from CBDs to more peripheral areas. There are not only logistics properties and retail parks promising opportunities but also residential and mixed-use assets as well as developments of entire quarters. The next step is going a bit farer: In many countries investors focus more and more on regional cities. In

To invest in the shopping resort Puerto Venecia in Zaragoza Union Investment and Generali Real Estate have formed a 50:50 joint venture.

Poland e.g., already at the end of Q3, office transaction volume outside Warsaw exceeded the threshold value of EUR 1 million for the first time since the beginning of market recording. The most successful cities have been Kraków and Wroclaw. And third, investors do look not only cross-border to other countries, but as well cross-continental: Europe is still a sought-after destination for Asian capital. In 2019, Asian investors have acquired real estate in CEE/SEE in an amount never seen before (see SPH Newsletter No. 70 from September 2019)

One of the topics on the top of the agenda of the new decade is still digitalisation, even if in the long term and already in 2020 the number of new PropTechs and FinTechs will not increase at the same pace as in the past. Rather 'new technology' and 'old school' will find more and more common ground.

Both, established property companies and start-ups, have to face a challenge. In the real estate industry digitalisation is not only influencing processes, but products as well, .i.e. buildings. "Location, location, location" will remain the most important credo. However, the importance of digital equipment and infrastructure in buildings will grow as well as requirements of buildings will change – keywords are new working environments, the changes in retail, and with logistics the requirement of a nationwide fast internet. And these developments will even accelerate.

Also internationalisation will continue to advance. A good example was in the news short time before Christmas. On December 23, 2019 Union Investment Real Estate from Germany announced that they together with Generali Real Estate from Italy have acquired a property owned by a 50:50 joint venture of intu properties plc from London and Canada Pension Plan Investment Board from Toronto. The property, acquired for EUR 475 million, was the shopping resort Venecia in Zaragoza in Spain.

Wherever in the world which amount of money will be invested, all locations have one great challenge in common: the climate change. Because climate is not limited to certain continents or nations, it is global. Climate protection will be the most important topic in the new year and the new decade. It is less a discussion if climate change is a natural event or caused by human beings, it is more the challenge to create the pre-conditions for the survival of the planet earth and thereby of all of us.

A topic closely linked to climate protection is transport. Important for every building and location is its connectivity. And the means to reach the building should be eco-friendly. The importance of public transport – that by the way often needs to become more attractive –, of a bike-friendly environment, of electric cars and carsharing will increase. The one and the other charging station is proving a rising sensitivity regarding the transport topic, but their number has still to increase to make electric cars really attractive. But the decisive question is generally if in the end all the trend-setting offers are accepted by people.

Another topic affecting the whole society are rents, especially housing rents. At a first glance it seems to be a German issue – here the call for affordable housing is becoming louder mainly in the capital city of Berlin, but as well in Munich and other big cities. However, what is currently happening in Germany is not an insulated or local phenomenon, but is

An excellent network of bike paths like that in Copenhagen has the effect that nearly half of the inhabitants is using the bicycle to move within the city.

to integrate in a broad range of protests and demonstrations taking place also in other parts of the world. It becomes more and more apparent that people's displeasure with political elites and leaders in the business sector is growing. The yellow vests movement in France is only one example, Hong Kong is another one. But looking regularly at the news there is to state that in many parts of the world things are coming to a boil.

Thereby we turn to politics. Sometimes it seems to be forgotten that politicians are not only counterparts for the real estate industry and for investors, but have to keep in mind the whole society. In the discussion about limited housing rents and the demand of affordable housing – a discussion that will not stop during the next years – politicians also have to ask what serves the common good. They have to consider the fact that on the one hand housing is a human right, on the other hand the substantial housing stock of many public authorities – responsible for a functioning society – has been sold to private companies. Fact is that neither the market nor the public authorities alone can solve the problem, they have to work together. For 2020 respect and foresight seem to be necessary. Or to say it with the words of the researcher of a big real estate company, for sure beyond suspicion of having any socialist ideas: "The best yield expectation is of no use if nearly nobody can afford the housing rents."

With transport and climate change a rethinking is already to state. The meanwhile bigger number of demonstrations "… for future" is currently startling, but according to experience significant changes take place only when caused by private enterprises. Meanwhile, in companies it becomes increasingly consensus that ecology and economy have to be associated. But further steps from lip services to a corporate ecological responsibility and to respective actions are in demand and will hopefully be realised.

A perspective is giving the 50th World Economic Forum that took place some days ago. The motto of the jubilee event is "Stakeholders for a Cohesive and Sustainable World". Perhaps more often than in the past the obsession with shareholders will be replaced by stakeholders. For sure, the shareholder is also one of the stakeholders, but profit maximization will and should not be the only value.

But to remain with World Economic Forum in Davos and climate protection: The statements of the participants are one thing – another thing is the reality at the small airport Altenrhein. There a multitude of private airplanes were parked, and the number of limousine transfers was increasing, not to talk about the many helicopter transfers, although Davos is well connected by Rhaetian Railway – together with many others the author took this transport means during the WEF days. And this railway line is a good example for e-mobility, in operation since the beginning of the 20th century.

It was also at the beginning of the 20th century when Rainer Maria Rilke was impressed by the sculptures of Auguste Rodin in Paris. To the sculptor Rilke dedicated his published poems *Neue Gedichte* (New Poems). One of them, the sonnet *Archaic Torso of Apollo,* finishes with the line: "You must change your life." This imperative is true also in 2020 given the challenges the climate change is causing for all of us. Habits accepted for a long time have to be reconsidered or have to be changed.

Eco-friendly journey to Davos is possible: by Rhaetian Railway

All is starting with oneself – "You must change your life" –, but each individual has a responsibility also for the whole. In the real estate industry, it applies financially to investments and on the product side to buildings, mostly located in cities. It is well known that regarding climate protection a lot is depending on what will happen or not happen in cities. For all stakeholders – and the real estate sector is playing an important role – it is necessary to overcome long-established thinking and acting. To do this is an ability more of creative people than of bureaucratic officials. I **Andreas Schiller**

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New waves of urban migration

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MIGRATION AND ITS JANUS-FACED CONSEQUENCES

Migration is one of the most controversial topics, not only within the EU. While migration is a constant phenomenon in the history of mankind, today it is carrying greater challenges than ever for all involved.

It is not only since some years that migration is a topic dividing people and societies. Depending on the individual point of view it causes defence reflexes or is welcomed.

There are many reasons why people leave their traditional home – the range is from fear for life in war zones and in areas with civil wars to political and legal uncertainty as well as for economic reasons. Often it is also a mixture of different reasons. Everybody should ask himself how strong the impulse has to be to cut all roots and to settle permanently in a foreign country with a foreign language and an unfamiliar culture. Then it becomes apparent that migration is rarely caused by frivolity and minor reasons.

Migration, however, does not only mean cross-border migration, there is also internal migration within a state or within a geopolitical entity like the EU.

To stay with migration within the EU: All people of EU member states have the right to free movement and residence. But the term internal migration is a bit euphemistic in this respect because there are countries clearly benefiting from this kind of migration while others have to face great disadvantages. A look at the net migration rate of the EU countries shows which countries have a negative rate, i.e. more people are leaving than entering the country, and in which countries the rate is positive, i.e. more people are entering than leaving.

Migration movements are as old as mankind. However, today the consequences are often more severe than in former times.

Between 2010 and 2015, many EU countries in the CEE/SEE region have to record negative net migration rates per 1,000 inhabitants, while all 'western' countries show positive figures. Among the CEE countries only Slovakia, Slovenia, Hungary and the Czech Republic are exceptions of the general trend.

The picture does not change fundamentally looking at the forecasts for 2015 to 2020 (Source: *World Populations Prospects 2019* of the UN). The highest negative figures are to state in Lithuania (2010 to 2015: minus 9.7; 2015 to 2020: minus 11.6) and Latvia (minus 8.1/minus 7.6), followed by Romania (minus 3/minus 3.8), Croatia (minus 1.8/minus 1.9), Poland (minus 1.7/minus 0.8) and Bulgaria (minus 0.7/minus 0.7).

One of the arguments often to hear in this context is the economic attractiveness of western countries. Admitted, that plays an important role, but it should be kept in mind that the western countries are also economically and in many other respects benefiting from the migration from other EU countries. When thousands of physicians are leaving (not only) Romania to work in western countries then the shortage of doctors there will be improved but in the home country of the migrants these physicians are painfully missing. The same is true for all other professions requiring a (state) education and training of which not the country of origin, but another country is taking the advantage.

As reasonable and comprehensible the decision of each individual might be, the exodus from CEE/SEE has long-term consequences. It is mostly younger, often also mentally mobile people doing the step into a completely new life. That does not only mean a brain drain in the country

There are many possibilities to maintain the attractiveness of rural regions and to strengthen their identity.

of origin, it also changes the population structure and the political climate there. And it has long-term consequences for the country's economy.

While in the beginning, emigration lowers unemployment rates in the respective country and money transfers of the emigrants to the people at home help to run the economy, in the long term it causes labour shortage.

That for example Hungary has a positive net migration rate and Poland is showing relatively moderate negative figures is due to the fact that Hungary is recruiting the urgently needed labour force in Ukraine, but also in Vietnam, China and India, and that in Poland are living and working meanwhile approximately 2 million people from Ukraine. Croatia's rate would be still worse if the country had not swept the labour market in the neighbouring Bosnia and Herzegovina.

The internal migration in the EU causes that many countries have become a mix of nationalities, but in the long term, it is producing winners and losers and is weakening the welfare systems and thereby also the political systems in the countries of origin.

A similar issue is internal migration in a narrower sense: that within a country people are leaving underdeveloped regions – mostly mainly rural areas – and moving into the economically booming cities. That is a topic also in western countries and one of the reasons for the lack of housing in cities. Results are increasing rents and prices for apartments and the outflow of the cities into the countryside on the one hand. On the other hand, regions are on the verge of becoming deserted with no bakery and physician around, not to talk about other things like cultural offers, with no or only bad functioning of mobile communication or internet. For the lack of demand also public transport is dying away, so people, still living there, feel and in fact are separated from what is 'normal life' in a country. That is a development that is perhaps not causing but feeding national-populist movements.

However, there is not only an urban-rural divide, but there are also great differences among the cities. Mainly the economically booming cities are attracting people like a magnet the iron filings, primarily because there are labour opportunities and better potential earnings available, but also because the urban life has a lot on offer. Besides these sought-after hot spots there are (mostly smaller) cities deemed to be less attractive and fighting to retain their inhabitants. An established way is to try to attract investments and to create new jobs. But competition among cities is severe and often the already booming cities are the more successful ones because investors and potential employers assume that it is easier to win labour force when offering the environment of an attractive city. There might be exceptions by region and by sector, but it is a development often to observe.

So, some cities are bursting at the seams, others run the risk to shrink. Especially in underdeveloped regions this trend is strengthening. To be not misinterpreted: It were and are always the cities pushing economic development – mostly first the capital city, then followed by the big regional cities of a country. The more cities of a country are benefiting from the economic boom, the better for the general development of a country. However, the look on the cities should not cause to lose track of and to neglect the rural regions. To develop especially underdeveloped regions in a way that they maintain a certain attractiveness is the aim of certain EU funds. In times of increasing digitalisation – provided the respective infrastructure is given – not every workplace has to be in the city and not every employee has to commute every day to be physically present to do his job properly. But there are still other possibilities to increase and to keep up the attractiveness of rural regions. The range is from tourist to leisure and cultural facilities. A further possibility is to stimulate and to support certain productions or industries linked with the region.

To explain it by an example: the Waldviertel in the north-west of Lower Austria is no doubt an underdeveloped area and one of the most sparsely populated regions in the country. Between 1980 and 2010 the region shaped by agriculture and forestry continuously lost its population after the decline of the textile industry located here in former times. Mainly younger people in search for employments left the Waldviertel. Since 2010, however, the region is step by step gaining attractiveness again and the decrease in population seems to be stopped. Since 2009 more people are entering than leaving the region. Also, the number of tourists is increasing. Waldviertel has established festivals, there are to find facilities for health and wellness tourism like the Sole-Felsenbad in Gmünd (brine bath, sauna, spa and hotel), the peat resort in Harbach, or the health centre Gars am Kamp, and a great number of museums – the topics range from art to freemansonry, from history of earth and natural landscapes like peatland to the cultural history of the grey poppy seeds harvested in the region.

That in a rural region the successful establishment of enterprises is possible proves the example of Sonnentor. Founded in 1988, the company specialised in herbs, herbal and fruit teas as well as spices and is meanwhile one of Austria's leading organic retailers and well-known also across Austria's borders. Such initiatives and start-ups should be funded and supported. However, pre-condition is that applications for funding definitely available, can be directly submitted to the sponsor, or in other words: that regions don't have to take the long way via different national authorities up to the government in the capital city where somebody is deciding if and for which of the many national projects an application is submitted.

Cities in Central and Eastern Europe are clearly catching up. As positive this development is as necessary it is to keep the regions viable and to prevent that they

In 1988, in Sprögnitz in Waldviertel region the Sonnentor company has been founded. Today it is a leading organic retailer, also internationally known.

are economically and demographically 'bleeding out'. A first step can be to take not only western cities as an example, but to have also a look on the rural regions, what has happened to them and which problems are there to solve. This can perhaps help to avoid the mistakes and the minus development manoeuvring some regions offside. Migration has always two aspects – the bigger one across country borders and a smaller one inside a country –, but both, external and internal migration, have long-term consequences. I Marianne Schulze

CITIES OF TOMORROW: NEW WAVES OF URBAN MIGRATION

The topic migration, or better: the migration into the cities is in the focus of this year's conference Cities of Tomorrow, taking place in Bucharest and organised by the German-Romanian Chamber of Industry and Commerce. In Romania, it is no longer only the capital city of Bucharest, but as well the bigger regional centres that are benefiting from people's movements into the cities. However, population growth in cities is accompanied by certain challenges. That is true for residential, social infrastructure, leisure possibilities and last, but not least for the increasing (private) traffic. As in former years the conference will support the exchange of Romanian and German public authorities about positive and less positive experiences and developments.

Cities of Tomorrow: New waves of urban migration, 24. March 2020, JW Marriott Grand Hotel, Bucharest
www.citiesoftomorrow.ro

FOR YOUR PLANNING

When	What about	Where	For information and registration
8.–13. February 2020	World Urban Forum	Abu Dhabi Exhibition Center ADNEC, Khaleej Al Arabi Street, Abu Dhabi, UAE	https://wuf.unhabitat.org
10.–13. March 2020	Mipim The international retail property market	Palais des Festivals, Cannes, France	www.mipim.com
24. March 2020	Cities of Tomorrow The New Waves of Urban Migration	JW Marriott Grand Hotel, Bucharest, Romania	www.citiesoftomorrow.ro
15.–18. April 2020	Real Corp 2020 Shaping Urban Change	RWTH Aachen, Super C, Templergraben 75, Aachen, Germany	www.corp.at
14. May 2020	CEDER 2020 Romanian Commercial Real Estate Conference	Radisson Blu Hotel, Calea Victoriei 63-81, Bucharest, Romania	www.ceder.cijeurope.com
1.–4. July 2020	ERES Annual Conference: Embracing the Digital Future in Real Estate	Tallinn University of Technology (TalTEch), Tallin, Estonia	www.eres.org

THE HISTORY OF BERLIN REFLECTED BY GRAPHIC DESIGN

From 1961 to 1989 Berlin was a city divided in an eastern and western part with the latter enclosed by the Berlin Wall. West-Berlin was some kind of island and therefore had a slightly different development in these years than other cities in Western Germany. *West-Berlin Grafik-Design* follows this development but it is not only showing the works of well-known graphic-designers in different sectors ranging from company logos to book covers and poster designs for concerts, exhibitions and theatre events. In fact, the individual topic is embedded in the historical context – and that is what makes the book interesting also for those, not primarily looking for the history of graphic design.

It starts with the correspondence between the editor of the book and Bernard Stein, Founding Partner of the design studio Ott & Stein in Berlin. The letters deliver personal impressions of the time between 1961 and 1989 explaining the extraordinary circumstances in Berlin.

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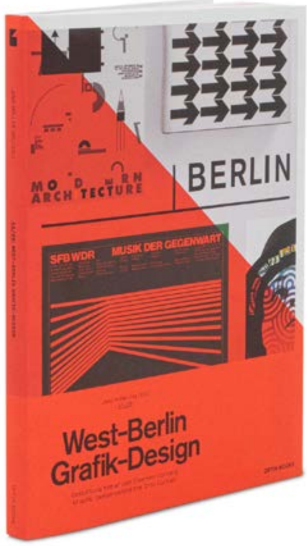
The island position caused that nearly no company headquarters and no big companies have been settled in Berlin. But the city was the choice of young people coming to Berlin to study or to escape the compulsory military service in the Federal Republic of Germany. They created a more liberal atmosphere in Berlin. Out of this time developed the "poor, but sexy" image that was cited by the later Governing Mayor of Berlin Klaus Wowereit. And keeping the young people in the city at that time was only possible if they were offered tax breaks or cheap loans for married couples and families. Another point the public authorities focused on was to promote Berlin as a city for culture and arts.

Beyond this correspondence the inside of the cover contains a time line listing political and social events as well as the most important developments of the Berlin graphic design scene. The book itself is a mixture of design examples and the presentation of some of the most renowned graphic designers of the time. E.g. the logos of mostly mid-size companies based in Berlin are shown and in this context also the story behind the 'Tatze' (paw) in the logo of the Berlin newspaper *taz Die Tageszeitung* and its history of origins in the alternative scence is told. The book follows the development to logo and branding solution for the City of Berlin, a development that leads back into the mid-60s. The new 'Berlin Layout' was no less than the world's first modern corporate design of a city. And it looks at the attempts to modernise the provincial appearance of Berlin's public transport system (BVG) – attempts that started already during the 80s, but it was not until reunification that the BVG was ready for new paths and implemented a new corporate design.

What makes the book interesting also for those not specialised in graphic design is the fact that the design examples are embedded – often in an entertaining way – in the context of the city's history at this time.



Jens Müller (Ed.)
West-Berlin Grafik-Design – Graphic Design behind the Iron Curtain
Optik Books, Düsseldorf 2019
ISBN 978-3-00-063546-5
152 pages, in German and English
Price: EUR 28

imprint

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

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