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DEAR READERS !

Covid-19 eclipsed a commemoration day in May: 75 years ago the Allied Forces finished World War II in Europe. But at the same time the worldwide death toll of Covid-19 and the general uncertainty about the further development might provoke memories of 1945 and the postwar period. But some things are different: the fight against Covid-19 and its consequences are issues we have to manage all together, not against each other. In 1945 the war was over – the virus, however, is still active. What makes matters worse: we know only little about the transmission and spreading of the virus and we have no efficacious remedy against it. The only thing we know for sure: nothing is and will be never again as it was before the pandemic outbreak.

Instead of trying to return to structures and the respective behaviour of pre-Corona times it seems to be more reasonable to take the pandemic and the linked crisis as a chance of rethinking. In this issue you can read how big companies, sovereign wealth and pension funds are doing it regarding climate protection and sustainability, and what far-sighted urban planning can contribute for a better life in cities and regions.

To another kind of contribution the next two pages are dedicated. We collected a selection of real estate companies in CEE/SEE that supported the fight against Covid-19. The readiness to help and the quick action have impressed me.

I wish you all the best for your health, but as well for insight and rethinking.

Yours,

Andreas Schiller

COMPANIES ENGAGED IN THE FIGHT AGAINST CORONA

REAL ESTATE SECTOR SUPPORTS THE BIGGEST SINGLE-PURPOSE HOSPITAL IN WARSAW

Temporarily about hundred patients, suffering from the coronavirus, were hospitalized in the Central Clinical Hospital of the Ministry of Interior and Administration in Warsaw. A few weeks before, the hospital was transformed into the largest single-purpose infectious disease hospital in the capital. To deal with the virus, it needed funds in order to purchase additional life-saving equipment, as well as to purchase a personal protective equipment (PPE) for staff.

The Warsaw facility's needs are why the „Real estate for real-life heroes" campaign was launched in April. This initiative came from the JLL team. BNP Paribas Real Estate Poland, BPI Real Estate Poland, Cushman & Wakefield, Dentons, Dom Development, HB Reavis, Knight Frank, KR Group, Metro Properties, NEPI Rockcastle, Panattoni, Penteris, Savills, SEGRO and Linkleaders, decided to join the initiative and make a donation.

CORDIA ROMANIA DONATES EUR 50,000 TO 'HOME TO YOU' PROGRAMME

Cordia Romania has donated EUR 50,000 to the "Home to You" programme set up by the City Hall of Bucharest's District 1 in an effort to combat the spread of the coronavirus. The program delivers basic food products to senior citizens who are unable to leave home due to the pandemic. City Hall is working in partnership with a retailer.

CTP HELPS UNDERPRIVILEGED CHILDREN

For weeks, education in the Czech Republic has moved online. The Tereza Maxová Foundation is trying to make schools accessible to children from orphanages where computer equipment is insufficient for such intensive internet use. CTP supported the project by purchasing 70 notebooks for 18 children's homes as part of the Comenius project. The aim of the Comenius project implemented by he Tereza Maxová Foundation together with CTP Invest is to support disadvantaged children growing up in institutional care.

FUTUREAL TO DONATE EUR 700,000

Hungary-based developers Futureal Group and Cordia decided to donate EUR 700,000 (HUF 250 million) to the fight against Covid-19.

GLOBALWORTH FOUNDATION: COVID-19 RESPONSE FUND

Globalworth Foundation allocated EUR 600,000 to help fund medical supplies as well as logistical, human and material support. The Globalworth Foundation equipped intensive care unites for Covid patients and donated vital supplies for 7 hospitals in Romania (4 in Bucharest) and Poland (in Chorzów, Łódz, and Warsaw).

Globalworth Foundation was engaged with: 32 of vital functions monitors; mechanical ventilators, essential devices for intensive care unit; 27,500 FFP2 and N95 safety masks; 4,645 FFP3 safety masks, 9,500 surgical masks; 4,100 protective overalls; 500 protective glasses; 500 protective gloves; 100 disinfectant bottles; 21 beds for intensive care unit and intensive medical supervision; 9,000 meals.

LPP SUPPORTS THE FIGHT AGAINST CORONAVIRUS

First and foremost, assistance was directed to people in need and medical facilities from Pomerania and Małopolska regions. The Pomeranian company decided to donate PLN 1 million (around EUR 225,000) to purchase protective masks for isolation hospitals.

The first batch of 3,300 masks was delivered to an isolation-only hospital in Gdansk, where people infected with coronavirus from the Pomeranian region are treated. Thanks to the cooperation with partners from China, the apparel retailer LPP was able to support the government in the purchase of protective measures for the health service such as overalls, thermometers, masks and disinfectants. In addition, the Pomeranian company donated 10 per cent of the proceeds from sale of its latest Joyful #Eco Aware collection by its flagship brand – Reserved – to help isolation hospitals in Gdansk and Kraków. The company also set up an internal team responsible for sewing cotton masks for other people in need of such measures. The first batch of 300 cotton masks was delivered to non-medical staff from the University Clinical Centre in Gdansk and the hospital in Prokocim.

In addition, the children's homes in Gdansk and Kraków have been provided with computers for remote learning so that they can continue their education without interruption. Microsoft has joined the action and each of the computers has been equipped with the software. Moreover, the company has also been purchasing lunches, which have been provided to the residents of the senior citizen's home in Dolne Miasto district in Gdansk.

ONE UNITED PROPERTIES DONATES EUR 100,000 TO FIGHT CORONAVIRUS

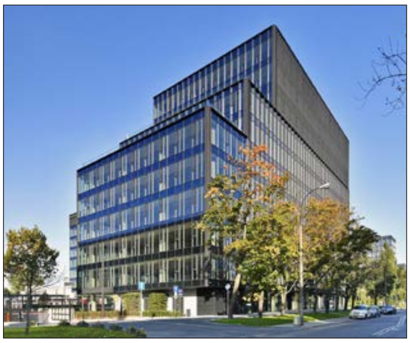
One United Properties donated EUR 100,000 to hospitals in their race to contain the coronavirus in Romania. A number of 22 ventilators and 1,500 rapid tests for the detection of Covid-19 were purchased through this amount and donated to hospitals.

PANATTONI DONATES EUR 110,000 WORTH OF SUPPLIES TO POLISH HOSPITALS

Panattoni has allocated PLN 500,000 (around EUR 110,000) to buy medical supplies for three hospitals. Institutions in Poznan, Białystok and Szczecin were chosen in consultation with the Ministry of Health. In total, the developer supplied 100,000 medical face masks, 200,000 nitrile gloves, 300 non-contact thermometers and 100 packs of medical caps. Panattoni bought the supplies from one of its customers.

7R FUNDS A MODULAR EMERGENCY ROOM FOR HOSPITAL IN STARACHOWICE

A new programme to help Polish hospitals had been launched. The idea of the project was to provide modular emergency rooms, known as CareBoxes, which served as diagnostic points for patients with suspected coronavirus. 7R donated such a care box to the hospital Powiatowy Zakład Opieki Zdrowotnej in Starachowice. CareBoxes are small 15-square metre containers that can easily be transformed into sanitary rooms and be combined to form larger structures. JR Modular Systems developed the modular steel elements and produced CareBoxes at cost price.



Slovak Asset Manager IAD has acquired the D48 office building in Warsaw's Służewiec district on behalf of IAD's Prvý realitný fond.

PENTA SELLS WARSAW OFFICE BUILDING D48 TO SLOVAKIA'S IAD

Penta Real Estate has sold the D48 office building in Warsaw's Służewiec district to Slovak company IAD Investments for an undisclosed sum.

D48, located at the junction of ul. Domaniewska and ul. Postepu, has a total area of almost 26,200 square metres, of which more than 24,300 square metres is office space while 1,860 square metres are dedicated to retail and service. The L-shaped building was completed in August 2017 as Penta's first development in Poland and consists of two wings with 11 and 8 storeys. It also has a two-level underground car park with 435 spaces and a charging station for electric vehicles.

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IAD Investments, founded in 1991, is the oldest Slovak asset management company and now manages assets – mainly in Slovakia and the Czech Republic – with a total value of more than EUR 1.03 billion. It has acquired D48 for its Prvý realitný fond, which was established in 2006.

JYSK TO BUILD LOGISTICS CENTRE IN HUNGARY

A subsidiary of Erste Bank Hungary has signed an agreement to sell 57 hectares of a 170-hectare plot in Ecser, next to Budapest, to Denmark-based furniture and home retail chain JYSK that intends to build a 143,000-square metre regional distribution centre on the plot. The investment will be worth EUR 200 million. The building is scheduled for completion in 2022.

JYSK has as many as 2,800 stores in 52 countries worldwide. The company has been present in Hungary since 2004, with its country headquarters and 16 sites located in Budapest.

HUNGARY'S OPTIMA BUYS CONTROLLING INTEREST IN GTC

Optimum Ventures Private Equity Fund – owned by Optima, the fund manager of the National Bank of Hungary's foundations – and an affiliate of Lone Star Funds have entered into a conditional share purchase agreement, pursuant to which Optima will acquire a majority shareholding (61.49 per cent) in Globe Trade Centre S.A., a Polish company trading on the Warsaw Stock Exchange and Johannesburg Stock Exchange.

An affiliate of Lone Star Funds initially acquired a stake in GTC S.A. in 2013 and increased its shareholding over time. Since 2013, GTC S.A. has realigned and re-focused its strategy as well as optimized its portfolio through select dispositions and acquisitions, and new development projects. The GTC portfolio comprises commercial buildings – office buildings and retail complexes – and several development projects in Poland and other capital cities in the CEE region – in particular Budapest, Bucharest, Belgrade, Zagreb, and Sofia.

MŁODZIEJOWSKI PALACE IN WARSAW CHANGES HANDS

Młodziejowski Palace, a historic building on Miodowa street in the centre of Warsaw has been acquired by the Lebanese investment company FFA Real Estate.

Beirut-based FFA Real Estate, a real estate investment company acting on behalf of its investment vehicle Midolux 2 SA, has acquired Młodziejowski Palace in Warsaw for an undisclosed price. The seller is Patrizia AG, acting on behalf of its investment fund.

Młodziejowski Palace is a historic building, originally constructed in the 17th century, reconstructed in the 19th century and restored after World War II. The project is located on Miodowa street 10 in the centre of Warsaw and offers 6,970 square metres of leasable space. IVG Institutional Funds purchased the building from Mermaid Properties for EUR 22.4 million at the end of 2011. Patrizia Frankfurt Kapitalverwaltungsgesellschaft became the owner upon its takeover of IVG subsidiary Triuva in late 2017.

CONTERA SECURES REFINANCING FOR ITS INDUSTRIAL PORTFOLIO

Czech industrial developer Contera has obtained a syndicated loan from CSOB and Komercní banka in the total amount of EUR 155 million. Most of the funds will be committed to refinancing the developer's portfolio of warehouses and production halls in the Czech Republic and Slovakia, which are owned and operated by Contera together with US investment company TPG Capital. The remainder of the loan is allocated to the development of new projects.

The portfolio of existing and planned Contera Parks includes assets in Hustopece, Mošnov, Ostrava and Teplice in the Czech Republic and in Bratislava, Prešov and Svätý Jur in Slovakia. The portfolio comprises a total of 257,400 square metres of space with the possibility of expansion by another 196,600 square metres. In February 2020, the developer acquired an 8-hectare site from Uniport for the development of Contera Park Hustopece in South Moravia, where Contera is initially planning a 30,000-square metre two-building complex.

ONE UNITED PROPERTIES TO DEVELOP THREE NEW PROJECTS IN BUCHAREST

One United Properties announced the development of One Lake District which will include 2,000 apartments. The project will be developed on eight hectares of land, right on the shore of Lake Plumbuita.

The company is also preparing to start construction for the luxury residential project One Peninsula, located on a 25,839 square metres plot in the Floreasca area. The project is designed to offer 8 villas and 125 apartments.

Furthermore, the company received the building permit for the Neo Floreasca Lake project, on the shore of Lake Floreasca. Neo Floreasca Lake will offer 50 exclusive apartments as well as some penthouses with panoramic views of Lake Floreasca. Delivery is estimated for Q2 2022.

Echo Investment, the developer of the residential project Jarzebinowe Osiedle in Łódz, has started construction of the final phase: It will feature 100 apartments. In total Jarzebinowe Osiedle includes 800 apartments.

FINAL PHASE OF JARZEBINOWE RESIDENTIAL PROJECT IN ŁÓDZ

Echo Investment has started construction on the last phase of the Jarzebinowe Osiedle residential project in Łódz. The final phase of the investment is underway on Górnicza street and will feature 100 apartments. The project is in close proximity to schools, kindergartens and Szarych Szeregów park. The whole investment will include a total of 800 apartments. Completion is scheduled for the end of 2021.

CPI ACQUIRES MAJOR INTEREST IN CHAŁUBINSKIEGO 8 IN WARSAW

CPI Property Group has acquired a 50.3-per cent stake in the Chałubinskiego 8 office building in central Warsaw. The stake has been acquired from First Property Group for EUR 44 million. The high-rise office property offers 46,000 square metres of gross leasing area across 47 floors.

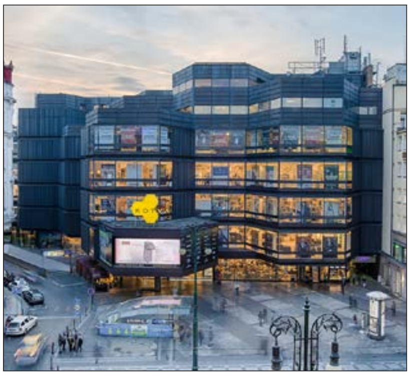
PANATTONI TO DEVELOP FURTHER PROJECTS IN POLAND

Panattoni will build a multi-tenant distribution centre in the Warmian-Masurian Voivodeship. Panattoni Park Olsztyn will offer 36,000 square metres and will be delivered in the Stawiguda commune, in the immediate vicinity of the Olsztyn Południe junction. The project will go up in several stages. The first tenants will be able to move in this August. One of the factors which made the launch of the project possible was the pre-lease signed by A&E Clothing, an American company specializing in textile recycling, which will take more than 7,500 square metres of office and production space in Panattoni Park Olsztyn.

In Czeladz, Panattoni has bought land and is embarking on the construction of Panattoni Park Czeladz V. The new project will offer 36,500 square metres, including close to 2,700 square metres of office space. Panattoni Park Czeladz V is located in the eastern part of the city and near the intersection of national roads 94 (Wrocław-Krakow) and 86 (Katowice-Łódz). The A4 motorway runs some 12 kilometres south, and the A1 motorway 15 kilometres west of the location.

In Strykow near Łódz Panattoni has bought 14.8 hectares of land to build Panattoni Park Strykow IV. The project, which will feature 74,000 square metres at full build-out, will be developed at the intersection of the A1 and A2 motorways. Construction kick-off is planned for the third quarter of 2020. Phase one provides for the development of 41,000 square metres, to be commissioned in Q1 2021.

Still another project the developer has embarked: Panattoni Park Tricity East III, totalling close to 33,000 square metres. The project will be completed in a single phase and has already found tenants for more than 26,000 square metres. Project commissioning is anticipated in Q1 2021. Panattoni Park Tricity East III is located 4 kilometres from the Port of Gdansk and the DTC Container Terminal.



Kotva department store in Prague is located on Namestí Republiky in the city centre and is one of Prague's architectural monuments.

GENERALI RE ACQUIRES KOTVA DEPARTMENT STORE IN PRAGUE

Generali Real Estate has acquired the Kotva department store in Prague on behalf of the pan-European fund Generali Real Estate Asset Repositioning SA (GREAR) from Pražská Správa Nemovitostí (PSN). The purchase price remained undisclosed.

The honeycomb-shaped building on Namestí Republiky offers 28,000 square metres on 7 storeys. It was built in the 1970s according to a design by Vera and Vladimír Machonin. It was recently added to the city's list of architectural monuments. PSN, originally acquired the property at an auction in 2016.

PNK CONCLUDES SALE OF TWO INDUSTRIAL BUILDINGS IN SLOVAKIA

PNK Group, an international industrial real estate developer, concluded the sale of two of its industrial buildings with a total area of 45,000 square metres in its industrial park in Sered. The facilities in PNK Park Sered, providing a regional base for Polish fast-fashion conglomerate LPP and German-based manufacturer in automotive industry Wegu, were acquired by REICO IS CS on behalf of CS nemovitostní fond, for EUR 30.6 million.

HINES SELLS DISTRIBUTION PARK PORTFOLIO IN POLAND

Hines Poland Sustainable Income Fund (HPSIF), an investment fund managed by Hines Polska, finalised the sale of its real estate portfolio to the Chinese CGL Investment Holdings Corporation Limited. The real estate portfolio sold by HPSIF includes five logistics parks – in Garwolin, Grodzisk Mazowiecki, Legnica, Mysłowice and Torun, which are part of the Distribution Park Portfolio, as well as DP Zeran with the Nord Point office building. The total gross leasing area of these properties exceeds 170,000 square metres. Most of them are BTS projects developed for the specific needs of companies from the food, cosmetics, automotive and logistics industries.

AMUNDI ACQUIRES WARSAW OFFICE BUILDING

Amundi Real Estate has completed the acquisition of Nowogrodzka Square, an office and retail building in the heart of Warsaw, from Polish property developer Yareal. With a surface area of 11,529 square metres over 6 floors (10,783 square metres of offices, 652 square metres of ground-floor retail outlets, and 94 square metres of archive facilities), Nowogrodzka Square was built in 2018. It is located just a few minutes from the Palace of Culture and Science, and in the immediate vicinity of the Central Station.

Arena Business Campus is the second office project Atenor is developing in the Hungarian capital city of Budapest. The complex includes four buildings with a total of 72,000 square metres.

ATENOR COMPLETES THE FIRST BUILDING OF ARENA BUSINESS CAMPUS

Atenor has completed the construction of building A of the Arena Business Campus office complex in Budapest. Following Vaci Greens, Arena Business Campus is the second major office project developed by Atenor in the Hungarian capital. The company started the construction of the project located along boulevard Hungária in District VIII, in the spring of 2018. The complex comprises four buildings with a total of 72,000 square metres. Building A offers 21,000 square metres. Building B is under construction and will be completed in the second quarter of 2021.

STAFFING

left: Katarína Brydone
right: Krzysztof Misiak

Katarína Brydone has been named Head of Investment Properties of CBRE in the Czech Republic, a move that took effect as of June 1. She's taking over the department from Chris Sheils who has left the company following Clare Sheils' promotion to Managing Director of CBRE Czech Republic. Katarína Brydone has been part of CBRE's properties service line since 2006. After her return from maternity leave in 2016, she became Head of the Retail Sector. As Head of Investment Properties, she will continue to lead the Retail Sector. Katarína Brydone holds MA degree from Management and International Business at Solent University in Southampton, UK, and MSc degree from Property Investment & Management at Sheffield Hallam University, UK. Apart from that, she is a Member of the Royal Institution of Chartered Surveyors (RICS.

Krzysztof Misiak has been appointed Head of Poland of Cushman & Wakefield. He succeeds Charles Taylor who left the firm after 30 years. Krzysztof Misiak has worked for Cushman & Wakefield for 13 years. He was appointed Head of Regional Cities in the Office Agency team in 2012. In 2018, he became Head of Office Agency in Poland.

left: Ronny Pecik
right: Thomas Wels

Ronny Pecik has become Member of the Executive Board of Immofinanz AG for three years starting with 4 May 2020. Ronny Pecik is also Chief Executive Officer (CEO). The Executive Board of Immofinanz therefore consists of Ronny Pecik (CEO), Dietmar Reindl (COO) and Stefan Schönauer (CFO).

Thomas Wels has been appointed new Co-CEO of Patrizia. Thomas Wels is an internationally experienced executive and served most recently as Vice Chairman and Senior Advisor for UBS Asset Management. Thomas Wels worked for 15 years at UBS Asset Management where he held various positions including Head of Global Real Estate and Chief Operating Officer until 2019. Before he joined UBS Asset Management in 2005, Thomas Wels worked inter alia as a consultant and partner for McKinsey. Thomas Wels holds a PhD in Economics from the University of St Gallen.

LETTINGS

CITYSPACE BEETHOVENA, WARSAW — POLAND

Pro Progressio, a business organization supporting entrepreneurship, has moved to CitySpace Beethovena at Moje Miejsce, a mixed-use project developed by Echo Investment in Warsaw. CitySpace is a Polish operator of flexible serviced offices owned by Echo Investment. Currently, the operator rents workstations in 10 locations in five Polish cities including Warsaw, Wrocław, Gdansk, Katowice and Kraków.

GDANSKI BUSINESS CENTER, WARSAW — POLAND

IT company Webinterpret has decided to remain at the Gdanski Business Center in Warsaw and signed a lease agreement for 2,045 square metres of office space. The Gdanski Business Center is located in Warsaw's Muranów district and offers a total of 101,000 square metres in four office buildings. The complex was acquired by Savills Investment Management on behalf of an international pension fund.

NORBLIN FACTORY, WARSAW — POLAND

JTI Polska – a member of the Japan Tobacco International group – has signed a lease agreement with Capital Park Group for 8,500 square metres of the Norblin Factory offices located in Warsaw's new business centre, City Center West. The Norblin Factory will offer 65,000 square metres of usable area, out of which 41,000 square metres will be the office area. The remaining 24,000 square metres will be a compilation of several functions: entertainment, restaurants, services, retail, culture and wellness.

WARSAW HUB, WARSAW — POLAND

Insurance broker GrECo Polska has leased 740 square metres of office space in Tower B of the Warsaw Hub. The agreement was signed for five years. The Warsaw Hub is a multifunctional skyscraper complex, located near the Daszynskiego Roundabout in Warsaw's Wola district. The project includes an 86-metre hotel building and two 130-metre office towers, joined by a five-story foundation.

ALCHEMIA, GDANSK — POLAND

National Oilwell Varco Poland has extended its lease agreement on 630 square metres of office space in the first phase of the Alchemia complex in Gdansk. Alchemia offers 22,000 square metres in seven office buildings on Grunwaldzka street in Gdansk's Oliwa district. The project was developed by Torus.

FABRYCZNA OFFICE PARK, KRAKÓW — POLAND

The distributor of paper and printing substrates Igepa has leased 1,300 square metres at Fabryczna Office Park in Kraków. Fabryczna Office Park is located in the city's Grzegórzki district near Aleja Pokoju. The investment is part of the larger office and residential project Fabryczna City developed by the Inter-Bud Group.

AFTER THE LOCKDOWN: BACK TO THE NORMAL OR RESET?

The disruption Covid-19 caused worldwide offers the chance to create a more sustainable economy.

After weeks of lockdown we currently try to return – sometimes more quickly, sometimes more slowly – to normality. However, what is still 'normal' and can/should we really return to 'times before Corona' or take the disruption as a chance for a reset?

It might be desirable mainly regarding our social lives, to take up again life as it was in times before Covid-19. But unfortunately it will not be possible in many respects. All over the world economies nosedived – even where a complete lockdown has been avoided as in Sweden. Yes, shops are open again, but consumer's mood is subdued by short-time work or threatening unemployment. Restaurants are allowed again to welcome guests, but constraints are all but contributing to an untroubled visit. Holidays in hotels and holiday homes are possible again, but it has still to be proved how relaxing it will be. Whatever we do, in the background the virus is still menacing, we have to take care and to observe many protective measures to keep the number of new infections as low as possible. Because at the best Covid-19 is curbed, but it did not vanish, and an infection is often all but harmless.

Already in this regard we will not get back our former 'normality' soon. Perhaps one day there will be an efficacious remedy against Covid-19, but we cannot be sure that sooner or later another virus emerges that is just as dangerous as Corona.

It is remarkable that according to a study from scientists in the USA and Australia in the time between 1980 and 2013 the number of new human infectious disease outbreaks is tripling every ten years (https://royalsocietypublishing.org/doi/10.1098/rsif.2014.0950). Nearly two thirds of these diseases are caused by zoonoses, bacteria or viruses jumping from animal to human (also the other way around is possible: human diseases are transmitted to animals). What was new with Covid-19: the velocity the virus spread all over the world causing a pandemic.

Following scientists from all over the world that are specialised in infectious diseases in the context of ecology – the respective study (https://royalsocietypublishing.org/doi/10.1098/rspb.2019.2736) has been published most recently but originates from last year – the increasing outbreaks of these infectious diseases are driven by anthropogenic activities that have caused losses in wildlife habitat quality and thereby facilitated contact between wildlife and humans. The more humans intervene in nature, the more increases the probability that these mostly dangerous infectious diseases emerge and spread out. But is not only contacts between wildlife and humans. Virus spillovers are also caused by the ways we treat domesticated and farm animals, mainly when they are herded on small space and their keeping is all but livestock-friendly.

The more humans intervene in nature and destroy wildlife habitat, the more increases the danger of zoonoses.

In an interview the leader of The Greens in Germany Robert Habeck mentioned another aspect. Sooner or later there might be an efficacious remedy against Covid-19, but against climate change there will be nothing.

Initially the lockdown did some good regarding climate challenges – air is less polluted, CO_2 output decreased significantly. However, in times of easing with precautionary measures against Covid-19 a new conflict is emerging: who does not prefer to take the car instead of – perhaps overcrowded – public transport to avoid the risk of infection? Or take a coffee in a disposable mug instead of taking a nip from a slovenly washed cup? Taking disposable gloves when you have to touch doors or supermarket trolleys? These and similar considerations of the 'new normal' are contradictory to many behaviour patterns deemed as reasonable 'before Corona'.

What is less risky: with mask in buses and trains or taking the car? That is often a dilemma.

What is also new: we do not have to be all together in the office all the time. Remote working at home increased significantly, and for sure, its importance will remain and more companies and people than ever have adapted to this form of working. So in some locations already arises the question, if all the office space planned and constructed during the last years is really needed.

If the former more or less general disposition of people to travel around the world in fully occupied airplanes will return, is another open question, especially after we have learned and often appreciate digital meetings and conferences. Airlines and business hotels will be among those suffering most of the economic downturn and of the consequences of the pandemic. Shops and restaurants are already open again, but the run of customers and guests seems to fail to appear – people are reluctant because of health reasons, but also because of the economic uncertainties. Governments try to absorb the economic shock by billions of state funds. However, more and more people, also and especially business leaders, ask the question, if we should return to the previous way of business and economy or if it would not be better to take the crisis as a chance on a fresh start, on a total reset (https://www.thinkunthink.org/latest-unthinking/2020-05-13-the-corona-pandemic-shows-us-the-way-out-of-the-climate-emergency).

That both, economy as well as ecology have to be put into consideration seems to be agreed to a large extent. It is to presume that Larry Fink, Chairman and CEO of the world's biggest investment manager Blackrock, is not an eco-romantic dreamer, but he, too, emphasised – already some time before the Covid-19 pandemic – the requirement of sustainability, economically and ecologically as well, because "climate risk is investment risk". That means a second challenge: climate and ecology are not limited to nations, regions or continents – they affect the whole world. Therefore more than ever international cooperation is in demand, but this cooperation seems to become more and more difficult looking on the international political situation and the many national egoisms.

That on a national and international level fundings to support economic development are necessary is without doubt. However, these fundings could be a chance to push ecological transformation, but as well the change to an economic system taking care not only of shareholders but of all stakeholders. It is not only natural resources we use in excess so we would need many earths to survive. It is also to ask if in future we all want to accept the negative side of the current economic system – keywords are the increasing gap between rich and poor, precarious employments, the withdrawal of the state from services for the public.

Some might object that first thing we have to do now is to get economy going again. But long-term economic success is linked with the question if and how we can deal with the increasing problems, if we are able to limit the climate change, to maintain earth habitable for all creatures, and to cope with the social challenges.

Such thoughts are not caused by ivory-tower idealism as some examples prove. Since some time e.g. Scandinavian pension funds invest only in enterprises with ethical and sustainable goals – weapons manufacturing companies are excluded as well as companies causing environmental impact and/or using fossil fuels instead of renewable energies. At the same time investments in 'green bonds' are increasing.

The risks of climate change include also risks of investment.

Revealing is also a look at those companies being members of the German Stiftung 2° (Foundation 2°), an initiative of executives of 68 large German and international companies – among them Aldi Süd, Deutsche Bahn AG, Deutsche Telekom AG, Otto Group, Puma SE, thyssenkrupp AG and Union Investment. Their aim is to call on political representatives to "combine economic measures to deal with the Corona crisis with ambitious climate policy". A respective business statement was addressed also to Petersberg Climate Dialogue that took place at the end of April. The main target of Foundation 2° is already in the name: to limit global warning to well below two degrees Celsius.

Internationally there is also to mention IIGCC The Institutional Investors Group on Climate Change, an initiative based in London, with more than 230 members from 16 countries in Europe, among them well-known names like Allianz, AXA, Aviva Investors, BNP Paribas, DWS, Invesco, Swiss Life, UBS, Union Investment and many international pension funds. A similar initiative is also working in Asia-Pacific.

Even implying that all these companies have their own business interests, the message is clear: continuing on the way we have chosen during the last years and decades will not be successful in the long term. Larry Fink with his statement is not alone in the world of business, quite the contrary. It is at least a positive sign that large enterprises are raising the issue of sustainability and climate protection because often some pressure from the business side is necessary to force politics to act. I Marianne Schulze

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REAL CORP 2020: SHAPING URBAN CHANGE

One of the many events that could not take place during the last months was Real Corp 2020. The International Conference on Urban Planning and Regional Development had to be postponed to September, but in April there was held an internet conference. During lockdown the conference motto "Shaping Urban Change" fixed long before the Corona pandemic was fitting better than never before.

Cities of the future – urban areas expanded to the horizon and unmanageable?

In times of forbidden events conferences via internet are no longer something new. Often, unfortunately, the content of these conferences is also nothing new. Many statements are oscillating between reading tea leaves and platitude. That was different with the virtual substitute of Real Corp 2020. It might be caused by the topic "Shaping Urban Change"", but mainly the quality of two speakers was convincing.

The urban planner and architect Pedro B. Ortiz was – among other functions – Mayor of Madrid's Central District Salamanca. As a member of Madrid's City Council he was responsible for Urban Prospective (1993-1995) and for Culture (1991-1993). He served as Director of the "Strategic Plan for Madrid" (1991-1994). He was also Director General for Town and Regional Planning for the Government of Madrid Region and author of the "Regional Development Plan of Madrid of 1996" and the "Land Planning Law of 1997."

As Senior Consultant he was and is involved in many projects in 70 countries and active for the UN, the EU, UN-Habitat and the World Bank, where he was Senior Urban Specialist. McGraw Hill Education published his book *The Art of Shaping the Metropolis*. In his presentation "MetrUrban Planning in the Time of Coronavirus" the meanwhile 68 years old Pedro Ortiz, living in Washington D.C, offered basics of urban planning and reviews to history. In times of fast-paced news and hastily published studies it was as pleasant as helpful.

Given the difference between the monocentric and polycentric model, according to Pedro Ortiz only the polycentric model is efficient and resilient as only the polycentric metropolis allows for an effective compartment segmentation, in case a subdivision is necessary – be it a pandemic or another situation.

"We can call it a cloisonnism capacity", he said, referring to the ancient technique for decorating metalwork objects. For people more technically oriented he compared it with a submarine: like the compartments of a submarine prevent a general flooding of the submarine in case of a water leak, the polycentric structure of a city can help to contain viral transfer.

Furthermore, he makes a difference between efficiency and efficacity, a difference to note not only in cities but in economy as well. Efficacity is to have a goal achieved whatever it costs. Efficiency is to achieve a goal to the minimum costs. "A highly efficient city will have to accept risks. A secure city will have to accept low efficiency", he put it in a nutshell. Investors are familiar with the dilemma: small risks or high yields. As with investments also with cities we all have to decide what we prefer.

However, that is the problem: we all know about the disadvantages of highly efficient cities – e.g. cost savings in public transport, reduction of labour and other costs in the public sector and currently to notice more than ever an underperforming health care system. But not everybody is able or willing to change his domicile. To hope for the intelligence of politicians is often futile, changes will made only after the respective requirements clearly articulated.

Another important aspect for cities is resilience. Pedro Ortiz does not understand resilience as toughness, but as the capacity to recover. In planning there are two possible resilient strategies: flexibility or adaptability. Economists prefer flexibility, he prefers adaptability.

"Flexibility can produce unforeseen incompatibilities. Adaptability requires immediate response." In other words: flexibility is more or less abstract, adaptability more concrete. For cities it means: With flexibility the danger is the lack of a specific programme and thus a lack of response to specific needs. With adaptability the basics have to be well defined, but the specifics can and should be changeable.

As an example of adaptability he refers to the Basilica Palladiana in Vicenza. In spite of keeping its morphology and significance the building had several functions during the more than 400 years of its history – it was a hospital, a market hall, an administrative office, a court house and a concert hall. "The form is well defined and eternal, the installations are ephemeral," said Pedro Ortiz.

The Basilica Palladiana in Vicenza: a form making possible many different uses.

The urban planner also reminded of the Spanish flu 1918 with a death toll up to 50 million people. Nearly nobody was aware of this pandemic. Until the Corona virus came around, it was forgotten. World War I, however, in which 20 million people died, is deep-seated in the collective memory. But a still greater effect for cities had another event: the London Soho cholera epidemic in 1854 – one of the many cholera epidemics and pandemics in the 19th century. It triggered important because life-saving changes in the city: the implementation of an underground sewer system leading to the Thames Estuary and the construction of paved streets and roads. At this time London has been the biggest city in the world and capital city of the British Empire. So, the legislation to prevent health hazards was followed by all countries who once belonged to the Empire. Today, we have to ask what we can learn from metropolises in Asia to deal with Covid-19. Currently from Great Britain nothing really helpful is to expect.

But what about the transformation of cities as recommended by urban planners? "The transformation has to be implemented by the public sector, under control of politicians and civil servants", Pedro Ortiz said. And he continues: "If there is no pressure for action by population the tendency is inertia and business as usual."

However, pressure by population is depending on the collective memory that is short-lived, and on the quality of collective intelligence. His remark from mid of April – "Once the apex of the pandemic surpassed, the focus most probably will turn to rebuilding the economy" – has meanwhile become reality.

That means also the attention to urban planning is dwindling. All the more urgent is what Pietro Elisei called for with his presentation: "Let's get Urban Planning out of Quarantine". The Italian urban planner and researcher collaborated, as consultant, with ministries, cities and towns all over Europe, with EU universities and research centres and international institutions as well. He is Founder and Managing Director of the town and regional planning company Urbasofia based in the Romanian capital city of Bucharest.

Starting with the hypothesis that there is a relationship between pandemics and the rapid, out of control urbanisation taking place worldwide he asked the question: "Where and how can we intervene with our knowledge as urban planners?"

The forecasts include threatening dimensions: The urbanisation of around 720 million people will have to be managed between 2020 and 2030. Putting this into relation to the population in Shanghai – currently 24 million people, in 2030 the forecast is 34 million people –, then about 21 new megacities are needed. Calculating what it takes to equip each urban person with a minimum standard of one single room, it means creating an area equal to 9 times that of Greater London. It seems to be evident that such urban agglomerations – even with a polycentric structure as Pedro Ortiz required – will be dangerous and nearly ungovernable, not only in times of a pandemic.

According to Pietro Elisei a possible solution can be to avoid or at least to reduce migration of people to megacities. However, to reduce migration from rural areas it is necessary to create local sustainable development conditions, i.e. making medium and small cities economically more attractive and ensuring quality of life. "Polycentrism as territorial balance", as he described it, is needed not only in Asia or Africa, but everywhere on the globe – Europe included. Digitalisation is of great help to reach this goal. In professional as well as in private life many things are meanwhile possible also offside megacities. Although in some locations the digital infrastructure is still suboptimal, we are living in a world where we are increasingly linked to each other.

However, the global interconnectedness combined with strong economic and production interdependencies and rapid mobility is still based on a decision-making system and structures established in former times. "We live in a post-modern system, but we rule it through pre-modernistic tools", Pietro Elisei commented. More decentralisation and harmonization of multi-level governance mechanism are in demand. That does not mean a contradiction to globalisation that will increase – keywords are mobility, the web and economic interconnectedness.

A global issue are not only pandemics, but climate change as well. Given the minimal consensus that every country and every city want to protect its own population and its own assets – buildings are critically to be included –, in the long-term climate protection is at least as important, if not more important than the fight against a pandemic. That means designing more zero or even positive energy buildings, regeneration measures, renewable or recycled materials, the use of solar and wind energy, the creative and ecological refurbishment of old buildings and many other possibilities we already know about but we do not implement them enough. These measures also include greening the city, designing clever public spaces and managing the water cycle – in Europe we currently experience a drought that has already a negative impact on water supply.

Pietro Elisei is fair and concedes that the problems experienced with politics are present also in the work of urban planners. Requirements are the one side. The other side is reality. The regulatory tools urban planners use, are obsolete, because land use management is often linked to old logics of property income. Strategic data are often not or not enough shared – "despite the rhetoric of smart cities", as he stated. And last but not least he sees deficits in the training of urban planners: "We train them as manager-designers for urban objects or spaces rather than management designers of complex processes of urban transformation" – with the result that "we have too many young planners who think more as naïve painters than as managers of complex processes", he described the situation.

If the above mentioned presentations have intrigued you to learn more about Real Corp 2020, the conference has a new date: 15th to 18th September 2020. The venue remains RWTH Aachen in North Rhine-Westphalia in Germany. Furthermore, a special call for papers about "Emergencies, Disasters, Epidemics and the Role of Urban Planning" has started. Founder and 'mastermind' of Real Corp is the Austrian urban planner Manfred Schrenk. He hopes that "this year's Real Corp can take place in September as it is currently planned. However, nobody can forecast the further development of the pandemic and if travelling will be possible. In case things go wrong we return to the possibility of a digital conference." And he added: "Since the first Real Corp in 1996 all papers are available at www.corp.at. We have a long tradition in using digital tools so we can offer also other digital formats even before the conference." Who wants to have the presentations of Pedro B. Ortiz and Pietro Elisei can find them at www.corp.at where you can also inform about the other pre-conferences via internet. I **Andreas Schiller**

Pietro Elisei
Town and Regional Planner,
Founder and Managing
Director of Urbasofia

Pedro B. Ortiz
Architect and Urban Planner

Manfred Schrenk
Chairman, CORP

FOR YOUR PLANNING

Planning is currently challenging. It is to hope that the respective events, partly already postponed, will take place at the date envisaged.

When	What about	Where	For information and registration
24. June 2020	CEDER 2020 Romanian Commercial Real Estate Conference	online	www.ceder.cijeurope.com
30. June – 1. July 2020	REBEC XII SEE Real Estate Belgrade Exhibition & Conference	online	www.rebec.rs
1. September 2020	Cities of Tomorrow The New Waves of Urban Migration	online	www.citiesoftomorrow.ro
15.–18. September 2020	Real Corp 2020 Shaping Urban Change	RWTH Aachen, Super C, Templergraben 75, Aachen, Germany	www.corp.at
27.–29. September 2020	16th Salzburg Europe Summit: Europe, Solidarity and Peace Europe and Corona: Hazards and Opportunities	Salzburg Congress, Auerspergstraße 6, Salzburg, Austria	www.salzburg-europe-summit.eu
14.–15. October 2020	Expo Real Hybrid Summit The Hybrid Conference for Property and Investment	online and live ICM International Congress Center, Munich, Germany	www.exporeal.net
17.–19. November 2020	MAPIC The international retail property market event	Palais des Festivals, Cannes, Frankreich	www.mapic.com