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SPH newsletter

DEAR READERS!

These days I have been pleased by two news. "On Monday after Expo Real, the members of the staff that had been with Aengevelt Immobilien in Munich, have found a little present on their desk: a letter of thanks for their input and two bottles of vine from Lutz Aengevelt's vineyard." That is a sign of esteem, *Immobilien Zeitung* continues, adding that "to thank employees for their engagement in the company's presentation at a fair, is good manners". I am not sure whether today this sentence can be still taken for granted for all companies and organisations.

In this issue we give a review of Expo Real. Of course, it is impossible to talk about all information and experiences because of limited space in SPH Newsletter. But for sure many topics and insights picked up at this year's Expo Real will be reflected in the following issues.

The second news was more spectacular, but has been drowned a bit by the bugging affair. Exactly on the 90th anniversary of the proclamation of the Republic of Turkey the undersea rail tunnel under the Bosporus strait has been inaugurated. With Marmaray a long-time nourished dream came true: a direct connection between Europe and Asia by a tunnel undersea. Turkey is deemed to be an enormous growth market, not only in the area of retail and retail real estate. But exclusively about retail and retail property Mapic in Cannes in November is all about.

Not only for retail I wish good dealings.

Yours,

Andreas Schiller

With the opening of Promenada shopping and entertainment centre Raiffeisen evolution has completed the third and last part of the quarter development Floreasca City Center in the north of the Romanian capital city of Bucharest.

RAIFFEISEN EVOLUTION OPENS PROMENADA MALL IN BUCHAREST

Promenada shopping and entertainment centre in Bucharest has opened its doors. In November 2011 construction measures for the third part of the quarter development Floreasca City Center, the Promenada shopping centre had started. Promenada comprises 35,000 square metres of gross leasing area.

Floreasca City Center in the north of the Romanian capital city has been developed on an area of 40,000 square metres. It comprises three projects: SkyTower, with 137 metres height the tallest building in Romania, a smaller Blue Office Building (FCC Office) and Promenada. Already in 2011 SkyTower and FCC Office have been sold to Raiffeisen Property Holding International AG (RPHI). About the sale of Promenada shopping and entertainment centre Raiffeisen evolution is in talks with potential investors.

HB REAVIS GROUP EXPANDS INTO TURKEY

Property developer HB Reavis is expanding to new markets. "At this time, we are active in four countries in the CEE region. We decided to open a new branch in Istanbul. Our ever developing activities also demanded a change in the Group's management," confirmed Ivan Chrenko, Chairman of the Board of Directors of HB Reavis Group. Turkey will now be added to the countries where the company is currently active: Slovakia, Czech Republic, Poland and Hungary.

The international expansion of HB Reavis will also be accompanied by changes in the group's management. Marcel Sedlák, who has to-date been responsible for preparing the group's strategic entrance onto the new market, will now be managing property development activities in Turkey and Slovakia while continuing to be responsible for the Polish market.

BLACKSTONE REAL ESTATE FUNDS COMPLETE ACQUISITION OF MULTI

Blackstone announced that its real estate funds have completed the acquisition of Multi Corporation. Multi is owner, manager and developer of shopping centres across Europe. Multi currently owns or manages 56 shopping centres, and is active in 13 European countries, including Turkey where it is the largest owner and manager of shopping centres.

Dick van Well, formerly Chairman of Multi's Supervisory Board has joined the Management Board as its Chairman. Heino Vink and Mark van den Berg will continue to serve on the company's Management Board. Jan Meines, who has served on the Supervisory Board since 2011, has been elected as the Chairman of the Supervisory Board. He is joined by Jonathan Lurie, Managing Director in Blackstone's European Real Estate activities, and Robert Welanetz, former Head of Worldwide Retail at Jones Lang LaSalle.

Today the Dancing House in Prague is one of the iconic buildings of the city. Now CBRE Global Investors is to sell the prominent office building on the bank of Vitava river.

CBRE GLOBAL INVESTORS TO SELL TANCICI DUM IN PRAGUE

CBRE Global Investors has exclusively appointed the Capital Markets team of Jones Lang LaSalle in Prague to sell the Tancící dum (Dancing House, also named Ginger&Fred) building. The sale opportunity is currently being introduced to potential investors and first meetings are being held.

Tancící dum is an iconic multi-let building designed by Frank Gehry and Vlado Milunic and completed in 1996. The building comprises 4,000 square metres over seven floors. The roof top is let to the Celeste Restaurant which benefits from an extended terrace and a 270 degree view of the city.

IMMOFINANZ STARTS NEW RETAIL DEVELOPMENT IN POLAND

Immofinanz Group has started a new retail development project in Poland. The development involves the construction of a shopping centre with approximately 30,000 square metres of rentable space in Stalowa Wola in southeastern Poland. The investment is expected to total EUR 50 million. The new shopping centre will be realised together with the development partner Acteeum Group, which has extensive experience on the Polish retail market (shareholdings: 86 percent Immofinanz Group, 14 percent Acteeum Group). Construction should start during the first half of 2014, and completion is scheduled for the first half of 2015.

OFFICE SPACE TO BE CONVERTED INTO A HOSTEL

SEB Asset Management and Maverick Hostel have signed a ten-year lease for 1,370 square metres of space in a building in Budapest that was previously used as offices. The property, part of a four-part office complex, is now being converted into a high-quality hostel for its new tenant by the end of 2013. The property is located centrally in Budapest's historic old town.

MULTI DEVELOPMENT OPENS FORUM GAZIANTEP IN TURKEY

Forum Gaziantep has opened its doors to the public. Forum Gaziantep, Multi's 11th Mall in Turkey, is located in the city centre of Gaziantep in the south of Turkey. Covering an area of 44,000 square metres the centre offers commercial, gastronomy and leisure space on three levels. The centre includes 120 retail stores, a movie-theatre-complex, entertainment areas, a supermarket, restaurants, and an indoor parking with 1,500 spaces. Forum Gaziantep, developed by Multi Development Turkey, is an investment of Forum Turkey Fund.

AFI Palace Ploiesti is the first modern shopping mall in the Romanian city of Ploiesti. Financing of the project was secured by Raiffeisen Bank International.

AFI PALACE PLOIESTI INAUGURATED

AFI Palace Ploiesti, the first and only modern shopping mall developed in the city centre of Ploiesti, Romania, opened its doors, following an investment of over EUR 50 million and only 16 months after construction started. The project, developed by AFI Europe, comprises a total gross leasable area (GLA) of 33,000 square metres spreading over two retail floors. The shopping mall offers over 100 national and international brands, along with more than 7,000 square metres of entertainment. For visitors there are available 1,000 parking spaces, out of which 300 are located underground. The project was financed by Raiffeisen Bank International AG (RBI) which provided a financing loan of over EUR 30 million.

TPG AND IVANHOÉ CAMBRIDGE ACQUIRE P3

TPG, a global private investment firm, with its partner Ivanhoé Cambridge have acquired PointPark Properties (P3) from Arcapita, an international investment company. As part of the transaction, the investors will also commit additional capital to strengthen P3's balance sheet and to provide support for future growth.

P3 is a specialist investor, developer and asset manager of warehouse properties. The real estate assets consist of 48 warehouses (1.46 million square metres) and a land bank allowing for the development of more than 590,000 square metres of warehouse space across Europe.

BULGARIAN PROPERTY ASSOCIATION JOINS EPF

The Bulgarian Property Association, representative body for the Bulgarian real estate industry, has joined the European Property Federation. BPA President Maria Batoeva said: "The importance of the EU to Bulgarian real estate is obvious. EU funding and economic governance are the best guarantee of a future for our investors, landlords and tenants, EU law shapes our property markets and facilitates foreign real estate investment, and 100 percent of our sustainability regulation is European. EPF is how Bulgarian real estate gets a voice in shaping its future."

NEW APARTMENTS READY FOR USE IN TITAN AREA OF BUCHAREST

Adama, residential real estate developer in Romania and fully owned by Immofinanz Group, has announced completion of the works and release of the apartments within the second phase of development of the residential project Evocasa Optima located in an area of Titan neighbourhood in Bucharest. Construction started in October last year. The total investment for the development of the new phase reached EUR 5.4 million. Evocasa Optima II consisting of an 11-floor building with a total of 84 apartments.

After the first stage of A4 Business Park in Katowice has been rented out, Echo Investment has started construction of the second stage: a 10-storey office building and a multi-storey car park.

START OF SECOND STAGE OF A4 BUSINESS PARK IN KATOWICE

Echo Investment has started the construction of the second stage of A4 Business Park office complex in Katowice. The second stage of the project involves the construction of a 10-storey building with an office area of approximately 9,000 square metres and an aboveground multi-storey car park offering 560 spaces. The completion of the building is planned for Q4 2014 while the car park is to be finished in Q1 2014. A4 Business Park consists of three buildings. The construction of the first one is nearing completion—it is planned for Q1 2014. The seven-storey building which is being developed in the first stage offers 9,000 square metres and has been fully leased by IBM.

OPENING OF POZNAN CITY CENTRE

Less than two years after the ground breaking ceremony took place on the site formerly known as "Wolny Tory" (Unused Railway Tracks), the 58,000 square metre Poznan City Center has opened its doors to the public. The retail and leisure offer within the centre encompasses 230 shops and 35 bars, restaurants and cafes over three levels with two food court areas. The project has been developed by a joint venture between Europa Capital, TriGranit and the Polish Railway company PKP.

PBB AND HELABA SECURE FINANCING FACILITY TO SELP

pbb Deutsche Pfandbriefbank and Helaba have jointly underwritten a EUR 188 million 5-year secured facility to Segro European Logistics Partnership (SELP), a joint venture set up by Segro PLC and Public Sector Pension Investment Board (PSP), for its acquisition of the seed assets in Poland and Czech Republic. EUR 166 million will be used for the acquisition of the seed assets and adjacent land bank while EUR 22 million is available to refinance future properties. pbb and Helaba are acting as Joint Lead Arrangers with pbb being Facility Agent and Security Agent. The seed portfolio consists of 10 stabilised logistics estates from Segro's portfolio, 9 in Poland and one in the Czech Republic. It also comprises 520,000 square metres of adjacent development land located in Poland providing potential to build out further logistics space.

WHITE STONE SECURES FINANCING FOR DEVELOPMENT IN WARSAW

White Stone Development and Asset Manager MF Capital have obtained construction and long-term financing of around EUR 35 million for their office development scheme situated in Mokotów, Warsaw. The loan was granted by Bank Pekao. The seven-storey office development with around 23,000 square metres of gross leasing area is already under construction and scheduled for completion in August 2015. The entire space has been let to one of Poland's mobile operators Plus on a long-term rental contract confirms Jan Schwarz, Managing Director of MF Capital.

In the Turkish city of Gaziantep Prime Mall Gaziantep has opened its doors to the public. The shopping centre has been developed by Prime Development.

PRIME MALL GAZIANTEP OPENED

Turkish-based shopping centre developer Prime Development has opened a new shopping centre in the southeastern Turkish city of Gaziantep after only 15 months of construction. The investment volume amounts to EUR 125 million. The shopping centre comprises 169 shops, located on four retail levels with a total gross leasing area of of 54,100 square metres and 1,518 parking spaces.

INVESTEC GLL ACQUIRES GREEN DAY OFFICE BUILDING IN WROCLAW

Investec GLL Global Special Opportunities Real Estate Fund, a fund managed jointly by Investec Bank PLC and GLL Real Estate Partners GmbH, has acquired Green Day office building in Wroclaw from Skanska. The investment amounts to EUR 43 million. Green Day is Skanska's third office development in Wrocław, following the Green Towers complex and Grunwaldzki Center. The total leasable area of the building is about 16,000 square metres, with seven storeys above ground and two storeys underground. The office space of Green Day is fully leased. The construction commenced in the third quarter of 2012 and completion of the project is scheduled for the first quarter of 2014.

HELABA PROVIDES FINANCING FOR MOKOTÓW NOVA IN WARSAW

As Arranger and Sole lender, Helaba is providing a five year term loan in an amount of EUR 75 million for the office property Mokotów Nova in Warsaw. Curzon Capital Partners III LP, a core-plus real estate fund advised by Tristan Capital Partners, recently acquired Mokotów Nova from the developer Ghelamco. Completed in 2012, Mokotów Nova is located in the heart of Warsaw's modern Mokotów Business District. The complex consists of two interconnected buildings offering 40,000 square metres of office space and 1,000 underground parking lots. Mokotów Nova is let to international tenants such as Oriflame, Hyundai Motor Poland, BMW, Medicover, LG Electronics Polska and Lego Poland.

PBB: FINANCING OF GALERIA POMORSKA IN POLAND

pbb Deutsche Pfandbriefbank has agreed a EUR 55.8 million medium-term refinancing and construction facility for a fund managed by Resolution Property. The proceeds will be used to refinance existing debt on Galeria Pomorska, a shopping centre in Bydgoszcz, Poland, and to provide funding for a proposed extension.

The fund, Resolution Real Estate Fund III, bought the shopping centre in 2010. Galeria Pomorska consists of approximately 30,000 square metres gross leasing area and Resolution Property is now planning to extend it by a further 9,500 square metres gross leasing area.

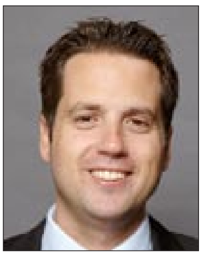
CBRE Global Investors has acquired Manhattan Business & Distribution Centre in Warsaw, only 2 kilometres away from Frederic Chopin International Airport.

CBRE GLOBAL INVESTORS ACQUIRES DISTRIBUTION CENTRE IN WARSAW

CBRE Global Investors has acquired Manhattan Business & Distribution Centre in Warsaw for EUR 30 million. The logistics facility has been acquired on behalf of the Pan European Core Fund (PEC Fund) from Akron Investment Central Eastern Europe II, managed by Heitman International. The asset is strategically located in the Warsaw's Zone 1 South logistics region, comprising approximately 29,000 square metres of warehouse space and 11,500 square metres of office space. The logistics park is located 2 kilometres from Warsaw's Frederic Chopin International Airport. It is the second acquisition made in Warsaw by the PEC Fund with the first being the Warsaw Distribution Centre completed in December 2012.

P3 STARTS CONSTRUCTION OF SECOND DHL EXPRESS HUB

PointPark Properties (P3) has started construction of a 3,492 square metre logistics facility for DHL Express at its PointPark Prague D8. This comes just few weeks after P3 completed a similar-sized distribution hub for DHL Express at Bratislava Airport in Slovakia. The PointPark Prague D8 warehousing and distribution facility will serve as DHL Express' main hub for the Prague market, replacing an operation now based at the city's airport. The development will consist of 2,704 square metres of warehouse space and 788 square metres of office space. The Park´s location allows easy access to Leipzig, Germany, where DHL Express' central hub for the Central Europe region is located. The project is expected to be completed in April 2014.



left above: Liad Barzilai
right above: Paul Blackman
left below: James Chapman

STAFFING

Liad Barzilai, Head of Acquisitions at Atrium European Real Estate, has been appointed to the Group's Executive Management Team. Liad Barzilai was promoted as Atrium's Head of Acquisitions in September 2011. He has been at Atrium since its formation under new management in August 2008.

Paul Blackman, International Director at Colliers International, has been assigned a new role to set up and run a team to coordinate Colliers' work in the outsourcing sector across Eastern Europe. Paul Blackman has 17 years professional experience of working with corporate office occupiers, 13 of which have been spent in Eastern Europe.

James Chapman has been appointed to head up Cushman & Wakefield's Capital Markets team for Central Europe (Poland, Czech Republic, Hungary & Slovakia). James Chapman, previously Head of Capital Markets in the Czech Republic, takes over from Charles Taylor who was appointed Managing Partner of the firm's Polish office in July 2013. James Chapman joined C&W's Prague office in 2001 and has led the Capital Markets team for the Czech Republic and Slovakia for the past seven years.


left: Alan Colquhoun
right: Jérémy Convert

Alan Colquhoun has been promoted as new Head of Central & Eastern Europe of DTZ. Alan Colquhoun, who returned to DTZ Poland in April this year, previously headed DTZ's Polish business from 1999 until 2009 and was responsible for Central Europe after 2006.

Jérémy Convert has been appointed Director in the Investment team of AEW Europe. He is based in Paris and reports to Laurent Babelon, Co-head of Investments. Jérémy Convert has joined AEW Europe from the Crédit Suisse group, where he was Head of Investment Banking for the real estate sector covering France and Benelux. Jérémy Convert also previously held positions at Lehman Brothers, Société Générale and ArchonGroup France.


left: Patrick Delcol
right: Laurent Jacquemin

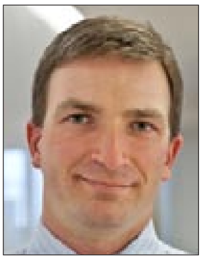
Patrick Delcol has been appointed by BNP Paribas Real Estate as CEO for Central and Eastern Europe. Patrick Delcol has been working in the real estate sector for over 20 years now. In the course of this career he held managing posts in renowned international advisory firms, developers and construction companies. Based in Poland for almost 18 years, he was appointed CEO at Centrum Development and Investment (previously DTC Real Estate) in 2002, where he remained for the subsequent six years. He joined then ING Real Estate Group, as Development Director and Member of the Board. He consequently worked for DTZ as Country Head for Poland. Patrick Delcol is additionally one of the founders and President of the Polish Council of Shopping Centers.

Laurent Jacquemin, former Global Head of Corporate Finance with over 14 years' experience in the real estate industry, replaces Riccardo Dallolio as Head of European Transactions at AXA Real Estate Investment Managers. Riccardo Dallolio, who joined AXA Real Estate in 2011 as Head of European Transactions, will become Sector Head of Alternatives and will be responsible for overseeing AXA Real Estate's Alternatives Business Line.


left: Renata Kusznierska
right: Otis Spencer

Renata Kusznierska is to re-join DTZ as Head of Retail, Central & Eastern Europe. She has more than 13 years experience in the retail property sector, nine of them at DTZ in Poland where she headed the retail agency team until 2009. Between 2009 and 2012 she held senior management board positions at Carrefour Poland including director of property and director of asset and expansion. Most recently she headed the retail agency and property management teams of Savills in Poland.

Otis Spencer has been appointed to head the Polish-based fund management business of Peakside Capital in Central and Eastern Europe. He will be Managing Director and President of Peakside Polonia Management (PPM), which manages a diversified portfolio of assets in Poland and Hungary. Otis Spencer has experience across nine CEE countries within the office, retail, residential and logistics sectors. He joins Peakside following his role as Co-Head/Managing Director of KSP Real Estate Investment Management. Prior to KSP REIM, he was Managing Director/Co-Head of Europe and Member of the Investment Committee at Heitman International for seven years.



Pavel Trenka

Pavel Trenka has been appointed new CEO of HB Reavis Group. He is following Ivan Chrenko, the majority owner of the HB Reavis Group and former CEO, who becomes Chairman of the Board of Directors of HB Reavis. Pavel Trenka has been with the company since 2007 and participated in all key decisions of the group, including the group´s transformation into an international company.

A winning formula

Performance pays off: Our retail partners have voted us Germany's best shopping center operator. The survey, conducted by Immobilienzeitung and retail location analyst ecostra, involved 75 companies and 400 malls.
We are proud to take the top spot and happy that MEC METRO-ECE Centermanagement also made it onto the podium. Excellent locations, an attractive tenant mix, premium-quality architecture, a professional center management, and individual tenant care – all this is standard for our projects. Five of our centers are in the top ten, but still we never stop striving. After all, there is always room for improvement – even when you're number one.

Shopping | Office | Traffic | Industries

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ECE

MAPIC: IT'S ALL ABOUT RETAIL

From November 13 to 15, 2013 Cannes is the meeting point of all active in the retail and retail property business.

From November 13 to 15, 2013 Mapic takes place in Cannes. And at Mapic all is about retail and retail property. That is true for the exhibition in the Palais des Festivals as well as for the conference programme of Mapic.

Last year, according to Reed Midem, organiser of Mapic, 730 companies as well as local and regional authorities from 69 countries had been exhibiting at the fair. And the number of unique participants amounted to more than 8,200. Among them there were 2,430 retailers and representatives of 335 investment companies.

This year up to now (November 1, 2013) 620 exhibitors have signed up, and representatives of 2,470 companies and local and regional authorities as well are registered as visitors. Looking at the activities of the exhibiting and visiting companies retailers are with 1,144 companies the strongest group, followed by developers (566), business services (468), service providers/suppliers (355) and investors (314).

Of the total of 620 exhibiting companies and local or regional authorities 569 are travelling to Cannes from European countries. From CEE/SEE alone there will be exhibiting 155 companies and local and regional authorities. Here the strongest group of exhibitors comes from Russia (75), in a clear distance followed by Poland (19), Turkey (15) and with 10 companies each Czech Republic and Ukraine.

Of the 2.470 visiting companies already registered 2.295 were of European origin. CEE/SEE is contributing 485 companies and public authorities, and again the strongest group is from Russia (219). Poland with 97 and Turkey with 84 visiting companies have secured themselves the second and third position in the quantity ranking.

Russia, Poland and Turkey are also among the Top 10 Countries of this year's Mapic and are therefore playing in the same league like France, Belgium , Germany, UK, Italy, The Netherlands and Spain. Furthermore Russia belongs together with Brazil, China and India to the 'Retail Rising Stars' of Mapic, named so because of their potential as "top destinations for retail expansion". To the 'Retail Raising Stars' as well as to the Top 10 Countries Mapic has dedicated special attention in the conference programme

One of the main topics of Mapic 2013 is the future of retail and retail real estate. Already last year some trends have emerged that have the potential to strengthen bricks and mortar shopping, but only if retailers and shopping centres are prepared to look at their business model. These trends and topics will dominate many discussions this year as well. It is mainly the increasing importance of e-commerce that is putting pressure to be innovative. Because whether taking a gloomy view of traditional retail nor ignoring the challenges the digital age is causing for retail and retailers are sustainable solutions. The point is to deliver the highest levels of customer service, using digital media online and instore to enrich the customer experience. Furthermore surprising retail offers that appear in the most unexpected places, can give retailers a chance to promote themselves to new audiences. And more and more retailers are discovering the attraction of cultural events. Adding them to the series of non-retail offers can make the shopping experience more than just shopping.

Shopping as an experience, as a diverting and pleasant leisure activity is something e-commerce does not have on offer. Shopping means more than only "buying goods" and more than what is to find everywhere. Why is a city like Barcelona a real shopping paradise where local people and tourists love it to go shopping? Because the famous Ramblas are offering more than the big retail chains nearly omnipresent in all cities—they are offering a large number of niche retailers and niche products that cannot be found in the web or in other cities. In short: individual shops are attracting people.

To a certain extent the retail industry itself is to blame for the fact that people prefer to shop online, because in high streets, shopping malls and shopping centres of all cities there is more or less the same on offer. There is rarely something to discover, so shopping does not provide surprising incentives that make a shopping spree so attractive. On the other hand it is the big chains that are pushing up the rents in high streets, shopping malls and shopping centres so that many individual retailers or smaller service providers cannot afford to rent a store in these locations. Many cities are trying to come back to a good mixture of international and local retailers, but it is difficult to re-create a once destroyed structure. It will be exciting to follow the discussions about all these topics between the different parties involved during Mapic.

Since 1995 Mapic takes place annually, and since 1996 there is every year the Mapic Awards ceremony. This year, with over 100 submissions from 24 countries, the Mapic Awards have received a record number of entries. The jury shortlisted 27 finalists for a total of eight categories. And as part of this year's 'Retail Rising Stars'—China, Brazil, India and Russia—the jury has selected four developers with projects in iconic shopping centres known as 'shining stars', who will be awarded a special prize during this year's Mapic Awards ceremony. | Marianne Schulze

INTERDEPENDENT ASPECTS OF RETAIL

Retail is taking place in many different forms and properties, and a retailer's success is depending on many factors.

At Expo Real the 'Retail Dialogue' attracted a lot of people, and Mapic, following in some days, is all about retail and retail property. That is a good opportunity for a tour d'horizon of the many interdependent aspects of this market segment.

Since some time institutional and private investors' interest in retail property is noticeably increasing. "Till the end of quarter 3, 2013 only in Germany more than EUR 5.6 billion have been invested in retail property", Colliers International states, adding proudly: That is 54 percent more than during the same period last year.

According to a research study of Jones Lang LaSalle investments in retail parks in Germany amounted to a total of EUR 1.3 billion in the first half of 2013 thereof 86.5 percent are allocated by domestic investors, that is from those reputed to be experts of the market.

But not only in Germany, in other countries as well retail property is attracting investor's interest. Promptly the respective research is intensified, one market and location study is following the next, and real estate agencies are enlarging their retail teams. Others go one step further: This year Corpus Sireo has founded Corpus Sireo Asset Management Retail GmbH. The first mandates for the new division are already on the order books—caretaking Treveria portfolios including around 230 assets as Corpus Sireo announced during Expo Real.

Is there a new euphoria about retail property in the real estate industry? Will the boom last? Instead of shouting "yes, yes, yes", it will be more reasonable to clarify some facts and concepts and to put the many individual activities in a greater context. It will be not about market reports and the respective figures but about some facts and impressions as well as the connections and interdependencies between them.

For 'security reasons' and to give not only reference to the zeitgeist, it may be helpful to remember that retail took place in special buildings long before the first real estate agencies have been founded. Famous historical retail properties are the Market of Trajan in ancient Rome, the Grand Bazar in Istanbul, erected in the 15th century by the Ottomans after the fall of Konstantinopel, today Istanbul, and from the late 19th century locations like Galleria Vittorio Emanuele II in Milan, the department store GUM in Moscow or the Great Market Hall in Budapest. While real estate is still a quite long-living product, retail concepts are changing today even faster than ever. If a concept does not or no longer work, it will vanish quickly and be replaced by another one.

So it is worthy of praise that Stefan Brendgen, CEO of Allianz Real Estate Germany that most recently has invested in Silesia City Center in the Polish City of Katowice, has pleaded "to pay attention and listen to the tenants". But to do so is not as easy. Because there is not THE retail and not THE tenant. The plural form of 'tenants' in Stefan Brendgen's statement hits the nail on the head. The many different retail sectors have as many different requirements on retail area, and expansions are depending more of individual strategies than of the respective sector. Furthermore there are clear-cut conceptual ideas among some retailers, and there is high flexibility supposed the location is macro- and micro-economically the right one.

But with the term 'location' the next question arises: Every choice of location requires decision criteria. In this context retailers often refer to purchase power. But can purchase power be deduced only from statistics? Mainly in some countries of Central, Eastern and Southeast Europe only official inhabitants and officially earned money can be taken as basis for the statistics. Whether this gives always a true picture is an open question.

Perhaps the better way to evaluate the local purchase power is a retailer's proposal to have a look at the price of a Hamburger or a similar product of the fast food industry. Because thanks to globalisation the ingredients are everywhere nearly the same, converted prices, however, are quite different. Thus there is a lot to learn about the respective purchase power.

Purchase power is one thing, another one is the very subjective decision to buy something and even earlier the motivation to go shopping. Both are very difficult to ascertain and to determine. Of course, the product has to be the right one, but that is not the only factor of the decision to buy.

Often and consistently mentioned is the increasing importance of qualified service staff. But the reality is often different, and the lack of qualified sales people is not only a question of quantity. Customers are meanwhile accustomed to accept some time to wait or in large area shops to go for searching a service staff member, but unfortunately also then the only thing they often get is a superimposed friendliness, slogans acquired by training, and ignorance easy to detect. The customer's conclusion is simple: there is no better service than in the net, so next time he can stay home and buy the respective product online.

E-commerce as the new competitor of stationary retail is meanwhile discussed sufficiently. There are many studies and surveys about 'bricks and clicks', and the perceived 147th panel discussion about the topic is presumably totally unnecessary. But by no means the new sales channels are to ignore. And again there is to remember that there is just as little THE e-commerce as THE retail. Also in the net retailer's success is depending on the way of presenting the products and on the user-friendliness of operating functions. Advantages of e-commerce are time and geographical independency as well as the comfort of a delivery at home—and furthermore not to be annoyed by unqualified and helpless service people because they are missing on websites totally.

This fact, however, may be also a disadvantage of e-commerce because qualified and individual advisory service is missing as well. For some topics and questions there are blogs and forums, but in the end the web surfer has no idea, who is behind nicknames like "mixed pickle", "sweetie" or "hamfatter".

Qualified service staff is the advantage of stationary retail against e-commerce.

But back to the relationship between e-commerce and retail real estate: On the one hand more and more models are emerging connecting directly internet activities with real property like shopping centres and retail parks and their respective product lines. On the other hand

Popular: transportation facilities like railway stations and airports as shopping malls

there is to state a boom in warehouses and distribution centres because logistics is gaining importance by e-commerce. To put it in a nutshell: logistics are the winners of the changes in the retail landscape.

Although the term logistics comprises different business fields and models, different operating distances and therefore different requirements on real estate, the general correlation of e-commerce and logistics is evident. That is proved by a recent publication of IVG Research for the German market, headlined 'Twin survey about retail and logistics 2025'. "In a world more and more interconnected by globalisation the transport of goods is increasing rapidly. But as well the domestic logistics market is changing. Changes of the retail sector are to notice everywhere and the strong shift to e-commerce orders have a significant impact on the domestic logistics market", explains Thomas Beyerle, Head of Research at IVG Immobilien AG, in the preface.

However, goods are not only delivered at home, they are still transported in large volumes to the shops. These shops are increasingly located in shopping centres. But as important shopping centres and shopping malls are, the market of retail property comprises more. Classical street shops, regardless if high street, B or C location, hypermarkets and factory outlet centres, retail parks and convenience shopping centres—they all are of great and perhaps increasing importance.

Again there is to differentiate between hypermarkets and retail parks: there are very specialised retailers such as DIY-shops, but as well retailers with bulky offers like Ikea or with products only for corporate customers or resellers. For the latter Metro is an example. Although retail property is not as multifaceted as the retail sector itself, there is a broad range of different formats. And it is important to know who is in search of what in which location and in need of which areas.

The retail landscape is not only changing by e-commerce, but since a longer time there is to observe a shift of historically developed retail structures to new locations. Petrol stations, for example, have become well sorted supermarkets with often 24 opening hours. Or railway stations and airports which sometimes seem to be large shopping malls with railway tracks and runway respectively. And following industry experts the next fundamental change is imminent to retail parks. Often they are "big shoe boxes with heating", so an insider's comment, but may be these formats have already hit their peak. First indicators are mall concepts for retail parks and considerations to make them more attractive by offering gastronomy and services. Often both is already on offer, but mostly in booths across and around the retail park; fixed buildings would make the retail park area more attractive.

For a long time the city centre was considered as the most attractive retail location, but city centres are changing, too, if not to say they become bleak and boring. Critics are often naming shopping centres as the source of the evil, but as well it is a dubious mix of tenants: mobile communications providers and bargain shops combined with a lot of common retail chains. The result is a decreasing quality of experience.

Travelling to other cities in the hope for a more attracting shopping environment the visitor has often to realise that the mix of tenants is nearly the same as in his home town. And characteristics causing 'local identity' are fading away or are already vanished. Instead of long-established individual bookshops there is one of the common book chain stores at the best. With bakeries it is the same, not to mention textile retailers. At the same time fast food restaurants and system gastronomy chains are replacing local restaurants, so that also the gastronomical offers in city centres are becoming more and more uniform, characteristics of the city or region are no longer to experience—a great loss of diversity. There is to ask why for example at Rhine-Main airport there is no restaurant where passengers and visitors can have 'Äppelwoi' (local cider) or 'Handkäs mit Musik' (a special dish made from cheese served with plenty of

The future potential is in revitalisation and refurbishment instead of new development.

onions, vinegar, oil and caraway)? That is a dish typical for Frankfurt and served only there while donuts and burgers, pizza and pasta are available everywhere. Or Vienna, traditionally the city of coffee houses: There is no need for a Starbucks, at least for me.

A potential answer to the matter of fading identity may be the rental level. Often individual local retailers are not able to pay as high rents as international chains can do, even if they are acting as franchisors. Despite all political and administrative obstacles a kind of rental subsidy could be a solution. If landlords get the difference in rents chains are able to pay from another side, it would be possible to keep or possibly to restore individual and distinctive structures making city centres more attractive. Thereby the activities of city marketing and city development agencies could be of some help.

Sometimes those cursed by public opinion are the ones who contribute to restore, renew or revive inner cities: developers, investors and operators of shopping centres. Because they have to be interested in 'efficient working' of their property: areas completely rented out and a high frequency. In other words: they have to be interested in great acceptance inside and outside the shopping centre. Meanwhile a strategy is coming in vogue that despite all theoretical commitments has lived a shadowy existence for many years: refurbishment and redevelopment of existing stock. Because redevelopment is not only about historical buildings but as well about shopping centres having already seen their best days. By a 'face-lifting' they can regain attractiveness.

Recently this was the main topic of a conference organised by Bouwfonds in Hamburg, fittingly in the redeveloped Millerntor football stadium in St. Pauli district. The result in short: carefully redeveloped shopping centres can not only save and revitalise the existing cityscape, but with an upgrading and given the right size and location they are also able to generate higher yields. For this reason investments in out-of date shopping centres are in the beginning to assign to the value-add segment, but when redevelopment is completed and the shopping centre has become more attractive the property changes into a 'core asset'. With the meanwhile increasing 'core no more' attitude of investors it does not seem to be the worst solution.

Since some time Hamburg-based ECE has recognised the redevelopment potential and is pursuing a respective strategy. In 2011 the company launched European Prime Shopping Centre Fund for investments mainly in "existing shopping centres with value-creation potential". Meanwhile the fund's portfolio comprises Center Megalo in Chieti in Italy, Haid Center in the Austrian city of Linz, Rosengårdcentret in Odense in Denmark and Olympia shopping centre in Brno in Czech Republic. Refurbishment and revitalisation are again the key words. Today, when we all are aware of the fact that we have to be very careful of sealing more land, these activities to maintain and redevelop buildings of the past can be the recipe for —or at least a contribution to— a successful future. | Andreas Schiller

DESPITE RAINY WEATHER THERE WAS SUNSHINE ON EXPO REAL

In the last years during Expo Real there was almost warm and sunny weather. This year it was different: temperature was rather low, and it was often raining. However, during all three days of the fair the atmosphere was consistently positive.

Three hot days for the real estate industry: 36,000 participants met at Expo Real.

When in the late afternoon of October 9th Expo Real 2013 was closing, the one and the other of the 36,000 participants may have been really exhausted and tired. The three days of the exposition were filled up with talks and information, and not at least the vast area of six halls was challenging.

The number of participants was approximately the same as last year, however, the impression of more crowded halls was right: The weather was not really inviting to stay outside in the Atrium or in loading zones between the halls. But in contrast to the weather the atmosphere in the halls was consistently positive. The industry was back to reality, talks were about the fundamentals of investment and real estate and much less than in the past about more or less unrealistic dreams.

But first some statistics: Of the total of 36,000 participants of Expo Real some more than the half were trade visitors (18,600), some less than the half (17,400) were representatives from the exhibiting companies. The 1,657 exhibitors were from 34 countries of origin. Aside from Germany the strongest groups were from Austria (75 exhibitors), the Netherlands (44 exhibitors), Switzerland (32 exhibitors), Russia (31 exhibitors) and UK (25 exhibitors). The top ten of the 68 countries of origin among the visitors were, after Germany, and in this order, UK, Austria, the Netherlands, Switzerland, France, Russia, Poland, Czech Republic, the US and Luxembourg.

This year the presence of Russian exhibitors and visitors, traditionally strong at Expo Real, was still more visible. However, some Russian exhibitors are causing thoughts whether their presence is a question of prestige or whether they do really wish to benefit from presenting themselves in Munich. At some stands representatives showed an apparent disinterest in potential visitors, at others there were German exhibition assistants (only) who could explain the projects, but had nearly no idea about the city or region, its people and its business customs, and mostly a more qualified and competent contact person was not available.

More professional was the performance of those Russian exhibitors who were already experienced with Expo Real since some years as Moscow, Saint Petersburg or the RHDF Russian Housing Development Foundation. Aside the official opening of the stand they had a programme of informative events, but mostly without publishing it in advance, so the audience consisted mainly of themselves and perhaps some people dropping in by accident. That is quite disappointing and ineffective.

That there is some interest in Russia became obvious during the three panel discussions in the Investment Locations Forum. "International Investors in Russia" like Timothy Fenwick, Managing Director of Quantum Potes, Andrew Kazanli, CIO of Norman Asset Management, Andreas Thamm, Head of Commercial Development at Immofinanz, and Lee Timmins, Senior Vice President and Managing Diretor of Hines Russia attracted some 60 people. The panel attested that investments Russia are not easy-going, but that the market is offering best opportunities. From these opportunities Immofinanz for example is benefiting by developing shopping centres in Moscow, but as Andreas Thamm approved the company is also watching other segments.

It was Lee Timmins of Hines Russia, who pointed out that recently international investors are coming back to Russia and

Russia's presence at the fair was not to ignore, however, the greatest interest is still on its capital city of Moscow.

among them not only opportunistic but as well more conservative investors like the US pension fund CalPERS.

Less interest was attracted by the Russian regions; Moscow and Saint Petersburg and their respective regions, however, saw again a more international audience. Partly the discussion repeated some already known arguments: E.g. Michael Stanton, CIO of O1 Properties, also stated an increasing interest of pension funds to invest in Russian real estate, but as he made it clear prime products are the necessary pre-condition for international investments.

Another topic was Russia's economic development. GDP growth slowed down from about four percent in 2012 to only 1.5 percent this year. Mainly Michael Semenov, Vice President of Kortros, gave a critical look on the macro-economic development: Russia is loosing its pre-eminence in energy supply, in an area that in the past was one of the main contributors to economic growth. Furthermore the unfavourable balance of trade could cause future austerity measures that will also contribute to weaken GDP growth. In fact, the high dependency from raw material exports is one of the main structural problems of Russia's economy—as well as the three "sisters of evil", corruption, bureaucracy and legal uncertainty, nobody named, but for sure were in mind of the one or the other.

Poland was the 'star' of the fair in many respects—by interest in panel discussions as well as in the presentations of Polish exhibitors. For other CEE/SEE countries like Croatia, Romania and Bulgaria—the three are already EU members—as well as for those from outside the EU like Serbia, Montenegro, and Bosnia & Herzegovina it was much more difficult to attract people. Although the stands were mostly quite small and modest, the engagement to benefit from the fair as much as possible was noticeably stronger than with Russian exhibitors.

A typical example is the by FIPA Bosnia & Herzegovina organised stand occupied until the end of the fair by a representative of the Foreign Investment Promotion Agency, a fact, that was not to observe at every stand. The country was exhibiting at Expo Real for the second time and has used the last year's presence for 'research', for an extensive look at what the fair is about and what its participants might be interested in. This year Bosnia & Herzegovina returned to Munich with two airport projects in Trebinje and Banja Luka and tourism projects—a resort and thermal bath in Ljesljani, a spa in Visegrad and sport and wellness hotels in the winter sports area of Jahorina—on offer. By the way, my dialogue partner was a born Croatian, now living in Republika Srpska, one of the entities of Bosnia and Herzegovina.

Great interest attracted the panel discussion about Turkey in the Investment Locations Forum. As well as Russia Turkey is a country not easy to understand and to deal with for people from Central Europe, but interest was significantly higher, despite the more negative than positive headlines in recent times. It was to expect that during the discussion not only the great potential of the country has been mentioned but as well questions about the Gezi Park 'looters' arose.

It was Wolf-Ruthart Born who put the topic in the right perspective. The former diplomat, who during his professional life has been occupied with Turkey in many respects, has been Ambassador of Germany in the country from 2003 to 2006 and is today Senior Advisor of ISPAT, the Investment Agency of Turkey, compared the upheavals in Istanbul and other Turkish cities with the student riots in Germany in 1968. "The younger generation wants to have a say in their country's future." Therefore he forecasted that the Turkish government will continue to have to face some civil disobedience, but he also emphasized that such phenomena are normal for a maturing democracy.

And despite these political discussions the two exhibitors from Turkey, Amplio Real Estate Investments and Agaoglu, were happy with the interest they attracted during the three days in Munich. | Marianne Schulze


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STRENGTH IS BORN OF CALMNESS

Whether panel discussions in the forums, on the stands or individual talks—demand for information was high.

It was an unexcited fair, the 16th Expo Real that took place in Munich from October 7 to 9. Exactly this calmness is the recipe of success for the autumnal International Trade Fair for Property and Investment.

Neither grandiose individual projects nor predominant topics were characteristics of this year's Expo Real. In fact, it was the broad range of the whole real estate industry with its many facets, its diverse topics and geographical origins that presented itself in six halls during the big autumnal event for property and investment. Instead of short-dated hypes Expo Real has given a sound picture of market and industry trends. And as some international exhibitors and visitors stated, the well-rehearsed organisation of the fair is reflecting the solidity of Germany as property investment location.

The participants' diaries were fully booked during the three days of the fair, and comprehensive was the offer of discussions and events in the five forums of the official conference programme as well as at stands and in the conference rooms. However, from 4 p.m. on relaxing times and festivities were on the agenda. At least then the impression intensified to be at a 'Food & Beverage' event with talks about real estate and investments.

The evenings were completely dedicated to these more or less casual talks, not only in the halls of the fair ground but in Munich's city centre as well. That again is a typical quality feature of Expo Real. The industry and its business is depending on contacts, face-to-face-encounters and talks to review experiences and to create new ideas—why not all these in a rather comfortable and/or relaxing at-

 

Left the signing of a "Memorandum of Understanding" between RHDF and RUTID, right the panel discussion on family offices.

mosphere? However, that does not mean to behave like that visitor dressed in a visibly expensive suit who dropped in a stand near the entrance and expressed only one interest by pushing the claim "a coffee, please". May be, he mistook the counter on the stand with a bistro.

More constructive were the many business talks and business meetings. They all demonstrated that the exaggeration of the years before the financial crisis are long gone and will hopefully not return again. Or to put it in the words of a participant: 'the laptop rockers without real knowledge' disappeared, only some of their non-performing loans remained. As well the lamentations and uncertainties of some past years have changed into a normal work mode.

That was to recognise by the rather restrained presentations of many cities and regions this year as well as by the absence of ritzy models. The journalist colleague Wojciech Czaja asked some exhibitors for the Austrian newspaper *Der Standard* where the models are. The answers are commenting themselves: we have to "work over the mixture of uses", to "adapt the project" or to "clear the structure". A participant characterized these more or less ambiguous answers as 'precision of the imprecise'. However, more friendly interpreted it means that the time of exaggerations and bragging is over and replaced by what can be described as 'work in progress' with an increasing consciousness of the fact that real estate includes the adjective 'real' which is related to reality.

Real estate reality today is often determined by availability of financing facilities. Development financing is—at least in the member countries of the European Union—no longer easy to get. Banks are forced to be reluctant and very cautious. Insurance companies and other market participants have discovered the new niche and are signalling disposition to step into the breach. Therefore "Shadow banks on the rise?" was the headline of a very well attended panel discussions in Expo Real Forum.

However, despite all discussions about financing real estate is still on demand by institutional and private investors. Different to pure financial assets real estate is a tangible asset and if calculated reasonably and managed properly generating reliable yields.

Another panel discussion in Expo Real Forum about "Family offices and high-net-worth individuals", the classical endinvestors, attracted so many people that chairs did not suffice so part of the audience could find only standing room.

Traditionally at Expo Real exhibitors from Central, Eastern and Southeast Europe show a strong presence. This year especially the number of Russian exhibitors increased substantially. In addition to the large exhibition space the City of Moscow occupied in Hall B, by no chance to ignore for all entering the hall from the main entrance, near the main entrance there was—not less impressive by its size—the joint stand of Russian regions in Hall A1. With the joint stand eight regions and the Ministry for Regional Development of the Russian Federations were presenting themselves for the first time at this year's Expo Real. And for the official opening of the Russian region's joint stand Igor Slyunyayev himself, Minister for Regional Development of the Russian Federation, came to Munich.

Aside from this there were also individual stands of Moscow Region, Vladimir Region, Rostov Region, the City of Saint Petersburg and the Russian Housing Development Foundation RHDF.

This wide offer was accepted by few participants targeting Russia. That the majority of international investors is still very cautious when it comes to Russia was to note also at this year's Expo Real. And there should be done much more by Russian exhibitors and officials to overcome these reservations. Especially with the regions more open structures would have been helpful. And perhaps more participants of the fair would have drawn attention to Russia if the one or other conference or event had been planned and announced a bit more in advance.

For example, RHDF offered a top-class panel discussing the residential market in Russia as well as the support RHDF is able to give international investors. Unfortunately, the number of international listeners was as small as in other panel discussions, e.g. about the Leningrad Region. However, at the RHDF event some Turkish participants were present, not least because RHDF has chosen the conference as the right time to sign a "Memorandum of Understanding" with the Russian-Turkish Business Association RUTID.

With two exhibitors, real estate development and investment companies Agaoglu and Amplio, the presence of Turkey at Expo Real was manageable, but in this case the fair statistics structured by countries of origin is misleading. Because some other international exhibitors like ECE, Metro Properties, Multi Development and Union Investment Real Estate are active in Turkey since long and continue to have the country on their screens.

Only some days before the fair, on October 3, Multi has opened in the Turkish city of Gaziantep a 44,000 square metre shopping centre, Forum Gaziantep; it is meanwhile the company's 11th development in Turkey. Some week before in the mid of September, again in Gaziantep, Prime Development has opend the retail centre Prime Mall Gaziantep, comprising an investment of EUR 125 million.

Both examples show that Turkey is more than only Istanbul, and aside from the Bosporus city and the capital city of Ankara there are several other cities like Gaziantep with more than one million inhabitants. And these developers' engagement proves that in cities far away from the Bosporus metropolis retail property may perhaps yield better than in Istanbul because of the small number of competitors.

But it is not only developers active in Turkey, also investors are there on shopping spree. Union Investment Real Estate has already been named, as well Boston-based Taurus Investment Holdings is engaged in the Turkish real estate market. Some time after the fair they have opened a shopping mall in Ankara. In this case Taurus is also active as developer, because—as Lorenz Reibling, Chairman and Senior Partner explained—it is difficult to find prime properties in Turkey, but anyway it is a 'priority investment location'.

During Expo Real some news from Poland caused discussions: On Monday, the first day of the fair, the mail order company Amazon has signed in Warsaw agreements for the development of three logistic facilities in Poznan, Krakow and Wroclaw. "Germany was far away for Amzon in this moment", the German newspaper *Frankfurter Allgemeine Zeitung* wrote two days later. The other way around Poland is no longer far away from Germany. That at least was obvious in Munich during the three days of Expo Real. The Polish stands as well as the conferences about Poland were visited very well. And at Expo Real it is only in very few cases to establish contacts, but—different to Amazon—to continue with still existing business relationships, or in other words: to continue investing in Poland.

Of course, in this regard the capital city of Warsaw is playing an important role. But more and more also other locations are emerging in the focus. So it fitted into the picture that on Monday evening the city of Lodz was awarded with the first prize of the John Jacob Astor Competition for the redevelopment of the 19th century Ludwik Grohmann factory. 38 projects were submitted for the competition. Messe Munich as organiser of Expo Real presented these projects in the Expo Real Blog where everyone of the social media community was free to take part in casting his votes. And perhaps soon Lodz will attract international interest not only by Manufactura, but as well by the redeveloped and refurbished factory of Ludwik Grohmann. | **Andreas Schiller**

Interest in Poland is not limited to Warsaw, other cities and regions are in the focus as well. Lodz attracted special attention by winning this year's John Jacob Astor Award for the redevelopment of the Ludwik Grohmann factory.

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WHAT'S ON OFFER TILL THE END OF YEAR

November13 – 15, 2013
MAPIC – The international retail property market
What about: Since 1995 the annual exhibition for all involved in retail and retail property takes place in Cannes. Russia, last year's "Country of Honour", together with Brazil, India and China have been appointed this year's "Retail Rising Stars". However, also some other countries are in the focus of Mapic and be peered in the conference programme of the fair. But aside from discussions about individual locations, promising concepts and expansion strategies, Mapic is a 'must' for all active in the field of retail.
Where: Palais des Festivals,
Cannes, France
For further information and registration:
www.mapic.com

November 18 – 22, 2013
Frankfurt Euro Finance Week
What about: The 16th Euro Finance Week is held under the auspices of Dr. Wolfgang Schäuble, Federal Minister of Finance, and Volker Bouffier, Minister President of the State of Hesse. With more than 500 speakers and 10,000 visitors from 60 countries, Euro Finance Week is Europe's largest meeting point for the finance and insurance industry. Furthermore, regional and country summits have become an integral part of Euro Finance Week. This year, on November 21, 2013 the focus is on CEE.
Where: Congress Center Messe Frankfurt, Ludwig-Erhard-Anlage 1, Frankfurt am Main, Germany
For further information and registration:
www.malekigroup.com

November 28 –29, 2013
ICSC Retail Strategy & Trends Forum
What about: For the first time International Council of Shopping Centres ICSC Europe is bringing together industry experts in the field of asset management and research with the aim of "Driving Value in an Evolving Retail World", as the event's subhead explains. Experts will provide insights into the changing market dynamics (economy, consumers, technology) and demonstrate practical solutions delivered in shopping centres across Europe. Additional to the conference there will be a complimentary tour of Prague's shopping centres.
Where: Andel's Hotel, Prague,
Czech Republic
For further information and registration:
www.icsc.org/europe

THE UPSURGE OF SUSTAINABILITY

The book "Sustainability – An Emerging Movement in the European Real Estate Sector" published by Union Investment Real Estate is not only "An assessment based on the Prime Property Award 2007–2012", but as well as an assessment of the importance sustainability has gained in the real estate industry since 2006, the year Union Investment Real Estate started with the Prime Property Award. The prize is awarded every two years for sustainable real estate developments and decisive criteria are not only ecological but as well economical sustainability.

In 2006 sustainability was entering still very slowly discussions and awareness of the real estate industry, today it is here to stay although there are still some challenges to master. The book starts with an overview on fundamental trends and developments in UK, Germany and France and with small hint to Scandinavia and CEE, two regions on which there will be a closer look in the following "Spotlight on Regions". This is interesting in view of the fact that the Nordic countries, in particular Sweden and Denmark, are among the trendsetters in sustainability (for a long time without green building certifications) while only for the recent years the CEE countries are trying to catch up.

A second spotlight is on usages: shopping centres, public buildings and European headquarters buildings. Another chapter is about "Sustainable Refurbishments – Added Value or simply Added Costs?", one of the greatest challenges faced by the real estate industry today because the refurbishment of stock, not developments will determine whether and how far cities are able to fulfil the requirements of sustainability. Therefore Dr. Frank Billand, member of the senior management team of Union Investment Real Estate GmbH, is stating: "Updating the existing stock … is set to become the most important area of (real estate) expertise".

In a retrospective the book presents the development projects that have won the Prime Property Award in the years 2008, 2010 and 2012 and the jury members who had to decide about the winners. Last but not least there are some facts and figures about the Prime Property Award—from the number of entries over the geographical distribution of entries to the distribution of usage types and the ratio of new developments and refurbishments—as well as the key aspects of sustainability a project has to fulfil to be accepted for Prime Property Award.

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