No. 26 | April 2014

SPH newsletter

news

special

The 25th Mipim has been characterised by high spirits in every respect and has given a good picture of future trends in the real estate industry.
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In May 2014, in the Austrian capital Greet Vienna will take place for the second time. The event is focused on CEE/SEE.
page 21

background

Russia is intensely promoting investments, not only in its real estate market, but more general. However, apart the current political conflicts, there is only a weak response to the promotion.
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events

book review

A fundamental overview on the development and regimes of REITs in Europe.
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DEAR READERS!

This April issue of SPH Newsletter is much more voluminous than planned. We present you the largest news section ever since SPH Newsletter has been published. Marianne Schulze and I brought back most of it from Mipim this year. In fact, we travelled back with even more—a huge package of information as the result of all the talks and presentations. You can read about it "peu à peu" in the next issues. In some of the talks at Mipim it was not only about the return of euphoria, scepticism came up as well. Although in general, the sentence "we are realistic" has been heard very often, there were also some projects that seem unreasonable investments. In addition, several statements from so-called "new financiers" gave the impression, that there has never been a crisis. "Lessons learned?" Looking at a couple of players at least this seems an open question after this year's Mipim.

"After Mipim" means "before Expo Real"—at least for the planning of those involved. For sure, there is still some time left till the autumn meeting of the real estate industry, but planning is already on stage. Much sooner, on Monday, May 19, and Tuesday, May 20, Greet Vienna is going to happen. Regarding size and number of participants this event in the capital of Austria cannot be compared with either Mipim or Expo Real at all, but SPH Newsletter will be there and I am involved in the conference programme. Why? Sometimes small size has its charm—like, by the way, Vienna in general.

I am looking forward to good talks in Vienna, and to meet some of you, dear readers, in the cosy atmosphere of the Austrian capital.

Yours,

Andreas Schiller

Deutsche Asset & Wealth Management has acquired office complex Rondo 1 in Warsaw.

DEAWM ACQUIRES RONDO 1 IN WARSAW

Two funds managed by Deutsche Asset & Wealth Management's (DeAWM) real estate business have acquired Rondo 1 office complex in Warsaw for around EUR 300 million. Seller has been Blackrock Europe Property Fund II. Rondo 1 provides around 70,000 square metres office space as well as 5,000 square metres of retail space on the ground floor.

PROLOGIS SIGNS BTS AGREEMENT WITH PRIME CARGO

Prologis has signed an agreement for a 11,200 square metre build-to-suit facility at Prologis Park Szczecin with Prime Cargo, a Danish third-party logistics company. The property will serve as a distribution centre for Prime Cargo's customers in Scandinavia. Completion of the building is scheduled in the third quarter of 2014.

EXPANSION OF SHOPPING CENTRES IN KATOWICE AND LODZ

Union Investment Real Estate GmbH has announced comprehensive modernisation work to be carried out at the 3 Stawy shopping centre in Katowice, Poland. Work is due to commence in April. The measures should help to underpin generation of healthy income by the 1999-built shopping centre in the future. The total cost of the measures, which will be completed by September, amounts to around EUR 3 million. Comprising approximately 37,200 square metres of retail space, the shopping centre has been part of the portfolio of open-ended real estate fund UniImmo: Global since 2008.

Union Investment is also preparing to add a multi-storey car park to its Manufaktura shopping centre in Lodz. Construction will commence in April 2014 and is expected to last around six months. Manufaktura has been part of the portfolio of the open-ended real estate fund UniImmo: Deutschland since 2012.

DEUTSCHE HYPO: REPRESENTATIVE OFFICE IN WARSAW

Deutsche Hypo has opened its new representative office in Warsaw. Deutsche Hypo's latest location is in the Chmielna, a modern shopping street in the centre of Warsaw, where the bank has leased 150 square metres of office space in a brand new retail and office building. Head of the representative office is Beata Latoszek. Before joining Deutsche Hypo, Beata Latoszek worked in a management role at the Polish universal bank Zachodni WBK in the area of commercial real estate financing. Other career steps in the same field include Hypo Real Estate in London and Rheinhyp-BRE Hypotheken Bank and HypoVereinsbank—both based in Warsaw.

From its joint venture development partner Futureal Group it to acquire the 50 percent share in shopping centre NovaPark in the Polish city of Gorzow Wielkopolski.

FUTUREAL ACQUIRES FULL OWNERSHIP OF NOVA PARK

Futureal Group has acquired full ownership of the NoVa Park shopping centre in Gorzow Wielkopolski, Poland. The project was developed as a 50:50 joint venture between Caelum Development and Futureal Group. Now Futureal has signed a definitive agreement to acquire the 50 percent stake of its joint venture partner. NoVa Park houses over 140 retail units on 32,400 square metres of gross leasing area.

PNK GROUP TO BUILD WAREHOUSE COMPLEX FOR HILTI

Russian developer PNK Group is to construct a 13,200 square metre multifunctional warehouse space for Hilti. The build-to-suit facility will be located at PNK-Severnoye Sheremetyevo, a new warehouse complex, in the Moscow Region. Cushman & Wakefield advised the deal. The total area of the warehouse complex is around 400,000 square metres. The construction works at PNK-Severnoye Sheremetyevo started in 2013; the delivery is planned for 2015.

IHG SIGNS HOLIDAY INN EXPRESS MOSCOW-SHEREMETYEVO AIRPORT

InterContinental Hotels Group has announced the signing of Holiday Inn Express Moscow-Sheremetyevo Airport. The hotel will operate under a management agreement with Palmira LLC. Holiday Inn Express Moscow-Sheremetyevo Airport will be a new build property with 192 rooms and will open in 2017. The hotel is positioned adjacent to terminals D, E and F at Sheremetyevo Airport, Russia's second largest airport.

IKEA SHOPPING CENTRES RUSSIA: MALL EXTENSIONS PROJECTS

IKEA Shopping Centres Russia (IKEA SCR) has announced details of its mall extension plans for the Mega Teply Stan and Mega Khimki shopping centres, both located in Moscow, and for Mega Adygea-Kuban located in southern Russia. After its extension, Moscow's Mega Teply Stan's total gross leasable area (GLA) is set to increase in size to a total of 195,000 square metres. Similar plans are in place for Moscow's Mega Khimki. The shopping centre's total GLA is set to be extended by 15 percent to 212,000 square metres, making Mega Khimki the largest shopping mall in Northwest Moscow. The extension will coincide with Mega Khimki becoming more integrated into Moscow's light railway. In addition there are major plans for Mega Adygea-Kuban, where a new shopping centre concept is under development. A new retail park adjacent to Mega will almost double the current GLA to 170,000 square metres. The company plans to invest more than EUR 364 million in the extension of the two Moscow Mega malls and the regional Mega Adygea-Kuban.

Zielone Arkady is a project of ECE in the Polish city of Bydgoszcz. The Polish subsidiary of Strabag construction group has been awarded the contract to build the shopping centre.

STRABAG IS BUILDING ZIELONE ARKADY IN BYDGOSZCZ

Strabag Sp. z o.o., the Polish subsidiary of the Strabag construction group, has been awarded the contract to build the Zielone Arkady ('Green Arcades') shopping centre with a scheduled date of completion in 2015. With 50,000 square metres of rental space, it will be the largest shopping centre in Bydgoszcz. Strabag will execute the project together with the client, ECE Projektmanagement Polska Sp. z o.o., under its 'teamconcept' partnership arrangement. The project involves the construction of two buildings on an 11.5 ha plot of land. The main object will comprise a modern shopping centre with three floors for retail and services as well as one floor for offices in the western part of the building. A six-storey parking structure will be built on the north side with space for 1,200 vehicles and two entry areas.

BERLIN HYP AND HELABA FINANCE GALERIA MOKOTÓW IN WARSAW

The two German banks Berlin Hyp and Helaba are providing Unibail Rodamco with a EUR 200 million term loan for their prime shopping center Galeria Mokotów in Warsaw. Purpose of the five-year facility is to refinance an existing loan. In this transaction, Berlin Hyp and Helaba are acting as co-arrangers and lenders for the whole loan amount. Berlin Hyp is the agent of the facility. Galeria Mokotów located in the heart of Warsaw's modern Mokotów Business District, has been extended several times since its completion in 2000, last time in 2013. Galeria Mokotów comprises 66,800 square metres of gross leasable area with 260 shop units. The shopping center is owned and managed by Unibail-Rodamco.

PALMER CAPITAL OPENS OFFICE IN WARSAW

Palmer Capital has opened a new office in Warsaw. The office is situated in the heart of Warsaw's business district at 79 ul. Krakowskie Przedmiescie and will be managed by an initial team of two experienced Polish property professionals under the supervision of Ben Maudling, head of Palmer's Central and Eastern European operations.

C&W TO MANAGE FIVE NEW MALLS IN POLAND

Cushman & Wakefield has been appointed property manager for five shopping centres in Poland. The five retail schemes, totalling 66,300 square metres of leasable space, are Arena Retail Park in Gliwice, Borek Shopping Centre in Wroclaw, Dabrówka Shopping Centre in Katowice, Turzyn Retail Gallery in Szczecin and Zakopianka Retail Park in Krakow. The shopping centres were acquired by Tristan's Episo 3 fund from Charter Hall Retail REIT in October 2013.

A Russian pension fund is to acquire the office towers Jupiter 1 and Jupiter 2 of AirportCity St. Petersburg. The two office buildings comprise a total of 16,800 square metres and are let out to subsidiaries of Gazprom.

AIRPORTCITY ST. PETERSBURG: SALE OF TWO OFFICE TOWERS

ZAO Avielen AG – a joint venture between Austrian real estate developer Warimpex (55 percent), CA Immo Group (35 percent) and UBM (10 percent) – has negotiated and concluded a term sheet with a Russian pension fund for the sale of two office towers at Airportcity St. Petersburg.

The two buildings – Jupiter 1 and Jupiter 2 – offer roughly 16,800 square metres of space in total and have been let out to subsidiaries of the Russian energy group Gazprom for about a year. The parties expect the transaction to close in mid-2014. The parties agreed that the details of the term sheet and the negotiated purchase price would not be disclosed.

Airportcity St. Petersburg is located in close proximity to "Pulkovo 2" international airport. It includes a four-star Crowne Plaza hotel and three modern office buildings with a total lettable space of roughly 31,000 square metres. The two towers from the first construction phase, Jupiter 1 and Jupiter 2, have already been opened. The third tower, Zeppelin (roughly 14,800 square metres), from the second construction phase is in the process of being completed. Additional office buildings are also being planned on this property.

PNK GROUP TO BUILD WAREHOUSE IN YEKATERINBURG

PNK Group announces the launch of a new project: warehouse complex PNK-Yekaterinburg located in Sverdlovsk Region, Ural Federal District. The warehouse complex will have a total area of 125,000 square metres with 98,000 square metres of warehousing area. The construction works will begin in the thrid quarter of 2014, the delivery is planned for 2016. PNK-Yekaterinburg will be constructed 14 kilometres from the Yekaterinburg Ring Road, near Kosulino village and 15 kilometres from Koltsovo airport.

MIRLAND REFINANCES VERNISSAGE MALL PROJECT IN YAROSLAVL

Russian developer MirLand announced that Global 1 LLC entered into a loan agreement with the Bank of Moscow, pursuant to which the Bank of Moscow will provide credit to Global 1 LLC up to an amount of USD 49 million, for the purpose of refinancing the Vernissage Mall project in Yaroslavl. Global 1 LLC is held indirectly by Mirland through Inverton Enterprises Limited, a company in which Mirland currently holds 50.5 percent.

The seven-year loan will be used primarily to repay an outstanding loan in the amount of approximately US$22 million from Gazprom Bank, provided to the Global 1 LLC in the past, and for the purpose of completing the purchase of the remaining shares of Inverton.

Forum Poprad will be developed in the city of Poprad in northern Slovakia at the foot of Tatra Mountains. Developer is Multi Development Czech Republic. The mall is scheduled to open in autumn this year.

MULTI DEVELOPMENT TO START FORUM IN POPRAD

Multi Development Czech Republic is to start construction on Forum shopping centre in Poprad in Slovakia. The new project will be built on the site where a Prior department store stood on Saint Egidius square until the developer razed it. With a construction permit in hand since last May, Multi Development claims it can begin Forum this spring. Financing of the EUR 50 million investment was secured from VÚB Bank and Slovenská sporitelna. The 22,500 square metre three-storey mall is scheduled to open in autumn.

WARBURG-HENDERSON: NEW CENTRAL EUROPEAN FUND

Warburg-Henderson Kapitalanlagegesellschaft für Immobilien mbH, Hamburg, launches a new property special fund. The Central European Retail Fund, aimed at institutional investors, will invest in retail properties in Poland and the Czech Republic. With a total target fund volume of EUR 250 million, including 40– 45 percent leverage, the Fund targets an annual income return of 8 percent. As Investment Manager, Warburg-Henderson is responsible for the institutional fund wrap, including strategy, fund management and reporting. Palmer Capital Investments GmbH is responsible for sourcing deals and managing the assets on the ground.

INVESTMENT TRANSACTION IN BRATISLAVA

The first significant investment transaction in Bratislava this year is the sale of three buildings comprising City Business Center III – V office complex, to Tatra Asset Management's Real Estate Fund. The three office buildings, with the total rentable area of 25,000 square metres, have been sold for an undisclosed amount. The developer and seller of the administrative complex is HB Reavis. Colliers International provided Tatra Asset Management with consulting services during the whole transaction. City Business Center III – V consists of two seven-storey buildings and one thirteen-storey building.

TRISTAN FUND ACQUIRES PRAGUE OFFICE BUILDING FROM GLL

The CCP III core plus real estate fund advised by pan-European real estate investment manager Tristan Capital Partners, has acquired an office building in Central Prague from Germany's GLL Real Estate Partners GmbH for around EUR 51 million. The seven-storey standalone building is located on Klimentska in Prague 1. The property was constructed in 1996 and has a floor area of about 18,000 square metres, including ground-floor retail units and a large parking garage. Advisors involved in the transaction were Colliers and Cushman & Wakefield. pbb Deutsche Pfandbriefbank has agreed a EUR 33 million medium-term acquisition and capex facility for the fund.


FUND I
FUND II

In Prague 4 Erste Group Immorent is to develop Enterprise Office Center with an area of nearly 33,000 square metres.

ERSTE GROUP IMMORENT TO DEVELOP ENTERPRISE OFFICE CENTER

Erste Group Immorent announces it will be developing Enterprise Office Center in Prague 4, comprising 29,069 square metres of office space on 11 floors and 2,622 square metres on the ground floor for services for tenants (canteen, café, and shops). The Czech antivirus software provider AVAST will be the first tenant to establish its headquarters in the office centre, renting approximately one third (11,108 square metres) of the total space once the building is completed in 2015.

DEKA IMMOBILIEN SELLS OFFICE PROPERTY IN PRAGUE

Deka Immobilien GmbH has sold the Florenc Office Center in Prague to Czech investment fund company ZFP Investments investicni spolecnost, a.s. in a deal worth approximately EUR 34 million. The office building with 11,000 square metres of floor space was constructed in 2003 and had been held in the property portfolio of the Deka-S-PropertyFund No. 1, an individual property investment fund.

EUROPA CAPITAL LAUNCHES WAREHOUSE SITE NEAR PRAGUE

Europa Capital, on behalf of Europa Fund IV, has announced the launch of its logistics warehousing site to the west of Prague which will be called 'Westgate Park Rudna'. The site is situated at the first exit of the D5 highway, which leads west to Plzen and Germany and east to the Prague ring road. Westgate Park Rudna includes an existing warehouse building constructed in 1997 that provides 32,000 square metres, including 6,000 square metres of office space. The building will soon be comprehensively refurbished. In addition, there are 15 hectares of development land, with a valid planning permit in place allowing for an additional 34,000 square metres of new warehousing. A separate self-contained plot of land provides further potential for 20,000 square metres of new warehousing or retail warehouse space.

HB REAVIS OBTAINS FINANCING FOR ITS RIVER GARDEN II/III PROJECT

HB Reavis Group has secured financing for its second office project in Prague. A loan of EUR 36.5 million was provided to the group jointly by Raiffeisenbank a.s. and its sister company, Tatra banka. The loan provided is a development and investment loan for the construction and project management of the River Garden II/III buildings in Prague. River Garden II/III is the second administrative complex by HB Reavis Group in the Karlín district of Prague. River Garden II/III features eight above-ground floors, which offer over 25,000 square metres of office space. The project will be completed in the second quarter of 2014 and has already attracted tenants such as Philips.

W. P. Carey has acquired Bank Pekao head quarters in Warsaw from CA Immo. The building has been constructed in 2009.

W. P. CAREY ACQUIRES BANK PEKAO HEAD QUARTERS IN WARSAW

W. P. Carey Inc., announced that two of its publicly held non-traded REIT affiliates, CPA®:17 – Global and CPA®:18 – Global, have jointly acquired the headquarters of Bank Pekao S.A. in Warsaw from CA Immo. Bank Pekao is the second largest bank in Poland.

Located in the "Airport Corridor" along the main route from the airport to the city centre, the facility, built in 2009 by Hochtief, is a modern office building serving as Bank Pekao's headquarters. The purchase price amounts to EUR115 million.

ATRIUM OPENS FELICITY SHOPPING CENTRE IN LUBLIN

Atrium European Real Estate has opened Atrium Felicity shopping centre in Lublin, Poland. The 172,000 square metre building is the largest and most modern shopping centre in the city. Atrium Felicity shopping centre offers 75,000 square metres of gross leasable area of retail across 120 units. The centre is 95 percent occupied and anchored by a 20,000 square metre hyper market which was pre-sold to Auchan in 2011, a 12,600 square metre Leroy Merlin DIY store and a 3,500 square metre Saturn electronics store.

POLISH INVESTOR ACQUIRES PRAKTIKER IN POLAND

Swiss investor Papag AG has acquired Praktiker Polska SP. Z.o.o. Warsaw, the Polish affiliate of the insolvent parent company Praktiker Group. The respective sales agreement has been signed by Christopher Seagon, insolvency administrator of BM Praktiker International GmbH. Financial details of the transaction have not been disclosed.

Papag AG acted on behalf of a strategic investor from Poland, whose name remains confidential. The investor takes over all 24 stores in Poland and will continue to run the stores under the Praktiker brand. With a recent annual turnover of EUR 165 million Praktiker Polska is one of the biggest affiliates of Praktiker Group.

EXTENSION OF KROKUS SHOPPING CENTRE IN KRAKÓW

Unibail-Rodamco and Valad Europe have agreed the redevelopment and extension of Krokus Shopping Centre in Kraków, Poland. Located in the north-eastern part of Kraków, the centre currently has a total gross leasable area of 30,000 square metres. The redevelopment plans will add a further 50,000 square metres of gross leasing area. Krokus Shopping Centre is part of Valad Europe's Polish Retail Fund.

Fashion Arena Outlet Center in Prague, developed by TK Development and LMS Outlets Limited , has been acquired by Meyer Bergman for EUR 71.5 million.

MEYER BERGMAN ACQUIRES FASHION ARENA OUTLET CENTRE

Together with LMS Outlets Limited, TK Development has entered into a conditional sales agreement with Meyer Bergman about Fashion Arena Outlet Center in Prague. TK Development has developed and managed the Fashion Arena Outlet Center together with LMS Outlets Limited. TK Development's ownership interest in the outlet centre represents 75 percent. The Fashion Arena Outlet Center was a two-phase development, with the first phase of 18,000 square metres opening in November 2007 and the second of 7,000 square metres opening in October 2010. The sale is contingent on the final financing arrangement, which is expected to fall in place shortly. The selling price for the outlet centre amounts to EUR 71.5 million.

MEDIA-SATURN'S GROWTH PLANS IN TURKEY

At a press meeting, Media-Saturn Holding Turkey CEO Bülent Gürcan said the company will shift 25 percent of its investments to Turkey in 2014 and despite the fact that foreign electronics retailers are leaving the Turkish market, Media Markt will be opening 10 new stores this year. Noting that they entered the Turkish market in 2007, he said the company has expanded into Anatolia by opening 37 new stores since then.

SECURE BUYS INNOVATIONS LOGISTICS PARK IN BUCHAREST

London-listed developer Secure Property Development & Investment has acquired Innovations logistics park in Bucharest from Myrian Nes and Theandrion Estates for an undisclosed sum. The acquisition will be the company's first outside of Ukraine. Innovations is a fully-leased 17,000 square metre gross leasing area logistics park located in Clinceni on the Bucharest ring road. The anchor tenant is Nestlé, which leases more than 60 percent of the available space, with the remaining area being leased to locally managed Romanian businesses.

DELHAIZE EXITS BULGARIAN MARKET

Belgian group Delhaize, which has been rapidly expanding its Mega Image supermarket chain in Romania, has decided to exit neighbouring market Bulgaria and sell its network of stores in the country to AP Mart. The deal is expected to be completed in the second quarter of 2014. In Bulgaria, Delhaize runs 54 stores under the Piccadilly brand, which it acquired in 2011 when it bought Serbian retailer Delta Maxi Group.

The Belgian group made two exits last year, one in Albania, and the other in Montenegro. In Romania, the retailer has the biggest chain of supermarkets, almost 300 stores across the country, under Mega Image, Shop & Go and AB Cool Food. Only last year it opened 100 new units in the country.

Aareal Bank and pbb Deutsche Pfandbriefbank are jointly providing a EUR 190 million facility to finance the acquisition of Poznan City Center by ECE European Prime Property Fund and Resolution Property.

FINANCING FOR ACQUISITION OF POZNAN CITY CENTER

Aareal Bank AG and pbb Deutsche Pfandbriefbank have jointly underwritten a EUR 138 million senior acquisition facility and a EUR 52 million VAT facility to finance the acquisition of Poznan City Center in Poland by ECE European Prime Shopping Centre Fund and Resolution Property from a consortium of Europa Capital, Trigranit Development and PKP S.A. Aareal Bank AG and pbb Deutsche Pfandbriefbank are acting as joint arrangers; in addition Aareal Bank AG carries out the role as the facility agent and the security agent. Poznan City Center comprises of 58,000 square meters. The property is currently almost 90 percent leased

EUROPA CAPITAL REFINANCES EIFFEL SQUARE IN BUDAPEST

Europa Capital LLP, on behalf of Europa Fund II, and ConvergenCE have concluded a new loan of EUR 33 million to refinance Eiffel Square in central Pest, with pbb Deutsche Pfandbriefbank. The 23,500 square-metre building was developed by Europa Capital together with ConvergenCE and DVM in 2009 on land adjacent to the Gustav Eiffel designed Western Railway Station, Nyugati, on Terez korut in central Pest.

P3 SECURES FINANCING FOR A NEW DHL HUB IN PRAGUE

PointPark Properties (P3) secured financing for logistic hub for DHL Express at PointPark Prague D8. Ceská sporitelna agreed to give a project loan worth EUR 3.63 million. Work on DHL's new hub started in October, following completion of a similar hub for the company at the Bratislava airport. The new hub will offer 2,704 square metres of warehouse and 788 square metres of office space. The location on the northern outskirts of Prague enables good access to Leipzig, DHL's main distribution hub for Central Europe. Completion is scheduled for April 2014.

GOODMAN AND MOUSQUETAIRES GROUP CLOSE TRANSACTION

Goodman has signed a deal with Mousquetaires Group to build a new central warehouse and office facility in Poznan. In addition, Goodman will acquire its existing storage and office properties. The overall transaction covers a total of 127,885 square metres of logistics and office space. Goodman will build a 73,872 square metre food storage and distribution facility for Mousquetaires Group, alongside a new 8,513 square metres two storey office. The storage area will be handed over in January 2015, with the office building following two months later. Goodman will also buy from Mousquetaires Group properties at ul. Janikowska in Poznan, comprising 45,500 square metre storage and office facilities, and will refurbish and redevelop these properties.

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STAFFING


left: Jaap Blokhuis
right: Ellen Brunsberg

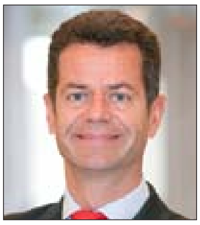
Jaap Blokhuis is new CEO of Multi Corporation, acquired by real estate funds managed by Blackstone last year. Jaap Blokhuis was previously CEO of Redevco. He also has served on the Supervisory Boards of Rabo Real Estate Group and of Corio NV.

Ellen Brunsberg has been named as President and CEO of GE Capital Real Estate's European business. She replaces Lennart Sten, who is retiring. Ellen Brunsberg joined GE in 2012 after 17 years with Morgan Stanley in New York and London. At last she was Managing Director of the UK real estate business. She will continue in that position.


left: Blazej Ciesielczak
right: Michael Clarke

Blazej Ciesielczak has been appointed Regional Director for Central & Eastern Europe of Goodman. He will continue to be responsible for Poland and will now also cover the Czech Republic, Slovakia and Hungary. Blazej Ciesielczak has over 12 years of experience in the property sector. He has been with Goodman for six years, joining the group as country manager for Poland.

Michael Clarke is Head of Investor Services for the EMEA region at CBRE Global Investors. Michael Clarke, who will also be a member of the EMEA management board, will be based in London. Michael Clarke has 26 years' experience in global real estate and joins from Mesirow Financial, where he was Senior Managing Director and Head of European Real Estate for the past three years. Prior to this, he spent 18 years at Schroders.




links: Christian Delaire
rechts: Anna Duchnowska

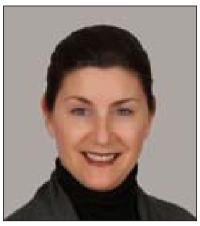
Christian Delaire is new CEO of Generali Real Estate. Christian Delaire earned a degree in Business/Finance from the ESSEC Business School in Paris. After an experience in KPMG, in 1994 he entered the AXA Group, where he held the position of Global Chief Investment Officer in the Real Estate department from 2007 to 2009. In 2009 he then became the General Manager of the real estate company AEW Europe.

Anna Duchnowska has been appointed Director of Asset Management at Invesco Real Estate (IRE) in Poland. Anna Duchnowska has over 14 years' experience of which the past 10 have been focused on asset management, investment, leasing and finance within the CEE and Polish property markets, with particular expertise in retail and offices. She joins IRE from Colliers International Poland. Previous to this she spent seven years with AIB PPM as Head of Asset Management for one of their property funds.


left: Gerhard L. Dunstheimer
right: Etienne Dupuy

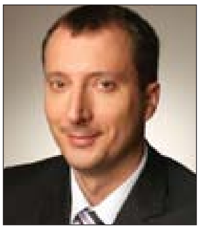
Gerhard L. Dunstheimer, Managing Director Development and Deputy CEO of ECE, will join Paramount Inc. in New York as Member of the Executive Board, effective July 1, 2014. His tasks will be taken-over by Henrie W. Kötter, who has been responsible for the Center Management Division as Member of the Management Board of ECE. In future, Henrie W. Kötter will therefore head the Development and M&A Divisions as Chief Investment Officer.

Etienne Dupuy has been appointed Senior Director of Asset Management at Invesco Real Estate (IRE). Etienne Dupuy joins from BNP Paribas Real Estate Investment Services where he spent the past five years as Managing Director. Before then, he spent nine years with AXA Real Estate Investment Managers.



Alison Rehill-Erguven

Alison Rehill-Erguven has been promoted to the post of Managing Director of Pradera. She will remain Pradera's Head of Turkey in conjunction with her new directorial role. Alison Rehill-Erguven has over 15 years of retail real estate experience, half of which has been spent working internationally. Prior to joining Pradera, Alison Rehill-Erguven worked for nine years in the US with General Growth Properties.




left: Tomas Salajka
right: Andreas Schenk

Tomas Salajka is new CEO of Orco Property Group. In this role he follows Jean-François Ott who will continue as the Chairman of the Board of Directors. Tomas Salajka joined the Company as COO and Deputy CEO in January 2014. Previously he was working over the last 10 years for GE Real Estate Germany/CEE.

Andreas Schenk has been appointed Chief Risk Officer and Member of the Management Board of Deutsche Pfandbriefbank AG and HRE Holding AG. He will be responsible for the entire Risk Management of the Bank. Until now, this area of responsibility has been dealt with by Manuela Better, CEO. Andreas Schenk has been Head of Credit Risk Management at Deutsche Pfandbriefbank since November 2012 and was appointed Senior General Manager in this role in November 2013.


left: Robert Sztemberg
right: Rob Wilkinson

Robert Sztemberg has joined Jones Lang LaSalle in Poland as Head of Corporate Finance Department. For the previous two years, Robert Sztemberg had worked for ECE and was responsible for ECE's development and investment transactions in Poland. Prior to this Robert Sztemberg worked for ten years at HSH Nordbank.

Rob Wilkinson has succeeded Christian Delaire as CEO at AEW Europe. Rob Wilkinson joined the firm in 2009 as Managing Director, Head of European Fund Management and Separate Accounts and was subsequently promoted to CIO in 2011. Prior to joining AEW Europe Rob Wilkinson held various positions at Goodman Group, UBS Investment Banking and Eurohypo.

LEASINGS

ERZSÉBET OFFICE, BUDAPEST — HUNGARY

Warimpex Finanz- und Beteiligungs AG and Groupama Garancia Insurance Private Co. Ltd. the Hungarian subsidiary of Groupama Group, have sigend a rental agreement for12,250 square metres in Erzsébet Office in Budapest. The rental agreement has been concluded for a term of ten years starting from 2015 and with an option for additional five years.

OCEAN BUSINESS PARK, WARSCHAU — POLAND

Nestlé Polska S.A. and Nestlé Waters Polska S.A. will lease over 10,000 square metres of office space in the Ocean Business Park in Warsaw. JLL represented Nestlé in the process of searching for a new location in Warsaw as well as contract negotiations. Ocean Business Park will be commissioned for use in Q1 2015 and will offer over 17,600 square metres of office space on eight floors. Nestlé will move into the new office at the beginning of 2016. The project's investor is Kronos Real Estate.

WEST GATE, BRESLAU — POLAND

Echo Investment secured Deichmann as its first tenant at West Gate, an office building in Wrocław. Deichmann has taken over 1,200 square metres in the project. Offering 16,000 square metres of office space, the L-shaped building offers six levels of offices along with a two-level underground parking garage

PANATTONI PARK, MYSŁOWICE — POLAND

Panattoni Europe has signed a lease with DHL Supply Chain, part of Deutsche Post DHL logistics group. The customer has leased an existing space of more than 12,750 square metres in Panattoni Park Mysłowice. The warehouse space will take up 12,187 square metres and office space is planned on 565 square metres.

LENINSKIY PROSPEKT, 119, MOSCOW — RUSSIA

Pervoye Resheniye and Natura Siberica signed 5-year lease agreements at the business centre Leninskiy Prospekt, 119. The companies occupy 1,618 square metres and 916 square metres respectively. Pervoye Resheniye and Natura Siberica are the first tenants to move into the new business centre. CBRE represented the owner of the business centre, Raiffeisen evolution, in the above deals.

TORUN TOWER, ISTANBUL — TURKEY

Denizbank, one of the leading banks in Turkey, has leased Torun Tower, Torunlar REIT's new office project. Colliers International acted on behalf of Torunlar REIT in this transaction. The transaction, which consists of 60,023 square metres of office space, represents the largest ever office lease recorded in Turkey. Torun Tower is a new office project with 65,600 square metres spread to 35 floors, due to be completed in June 2014.

MIPIM IN HIGH SPIRITS

Since 25 years every spring Mipim takes place in Cannes. The anniversary has been celebrated by a display of fireworks.

In March Mipim celebrated its 25th anniversary—and that in high spirits because of largely positive industry results for 2013. As well Reed Midem, organisers of Mipim, could be pleased with the success of this year's event.

Mipim has given the impression of pure sunshine—by the weather as well as by the industry's disposition. The sun allured more people to stay outside, so that in the exhibition halls sometimes one could have the impression of fewer participants than last year when the weather was quite cool and rainy. However, the impression has been deceiving: 20,500 delegates from 93 countries have participated in Mipim—some 500 more than last year.

The clouds on the horizon of politics—the question about the further development of the Ukraine-Russia conflict about Crimea—did not reach the Côte d'Azur. It seemed to be none of the topics the industry was worrying about, quite the contrary: the industry seemed to be in higher spirits than ever during the last years. And while in the past modesty and caution have been the main virtues, this year there was to state a disposedness to some more luxury and a willingness to take more risks than in the past.

Russia and Turkey, two of the three 'Countries of Honour' at this year's Mipim, as well as the Nordic countries showed a strong presence in Cannes. That is true for the respective stands and events on the stands as well as for their part in the conference programme. Russia's capital city Moscow alone occupied 900 square metres of exhibition space: 300 square metres for the presentation of a city model right near the registration entry of Palais des Festivals—at a point where nobody could pass without taking notice of it—and again 600 square metres in pavilion Sea Breeze, directly on the shore and adjacent to the Greater Paris pavilion.

Noticeable as well has been the large pavilion of the Russian Regions located parallel to Croisette, the famous seafront avenue in Cannes. And directly following the Russian Regions there has been the Turkish Pavilion. In order that visitors

Thierry Renault (above left), "founding father" of Mipim, gave the anniversary adress. For Turkey and Russia the main goal of the fair was to promote investments.

paid attention appertained to both pavilions there was an entrance to Mipim at this point of Croisette and the security personnel took care that everybody went through the pavilions and did not pass around outside along the beach. Furthermore there were many Russian and Turkish exhibitors in the Palais des Festivals and Espace Riviera, e.g. Skolkovo, the Russian Silicon Valley, or the Turkish developer Mebe Group, active in Russia, that signed with Accor the contract for the operation of the new Mercure Moscow Mebe Hotel in Khimki during Mipim.

In the 'subterranean' of Palais des Festivals there have also been clustered the Nordics—Denmark, Sweden, Finland, and Norway. Municipalities and private companies have teamed up to present themselves and to organise many public discussions about the currently 'hot' investment markets in Northern Europe. Although rather small, these markets are promising, albeit there are already warning voices that mainly in Stockholm city centre offices are outpriced and investments no longer really reasonable at prices required by the sellers. As different as the four countries are they have in common a demographically and economically much better 'performance' than many other economies in Europe.

Surprising was the come-back of some Southern European countries heavily distressed by the financing crisis of 2008. As Ireland already before now Spain is coming back into investor's focus. Also Italy is returning to the investment map. With both countries there is to ask if they have really broken the back of the crisis. On the other hand no one should be mistaken about the percentage increase of investments compared to previous year's figures: investment volumes in these countries are still on a relatively low level. But following the discussions, so the flavour of the season is no longer 'core', but 'value-add', and 'security' is no longer top priority, quite the contrary: it seems to be required a certain readiness to assume some risk.

However, there are obviously still some countries where risk is estimated still too high. Russia and its capital city Moscow started an investment promotion initiative at Mipim that might be of only limited success due to the current political troubles about Ukraine. Wherever one looked around during the discussions, there was to state the big number of Russians in the audience—international participants could be counted at most on two hands.

On the other hand, also the Ukrainian joint stand in Lerins Hall attracted only limited interest. Here the City of Kiev together with Eastgate Development, a developer of retail properties, and Avec Group, developer of commercial real estate in Charkiv, presented themselves. During a stand event the City of Kiev and Eastgate signed an agreement as the first step in developing the 300 hectares Kiev Business Harbour. Among the development team are from international side the architecture firm Chapman & Taylor and the consultants of Baker & McKenzie, Ernst & Young and JLL.

Other countries from CEE/SEE were rather underrepresented at Mipim. From the Balkans only Montenegro showed presence by a joint stand, comprising of the Ministry of Sustainable Development and Tourism, the country's investment promotion agency and some tourism projects trying to attract investor's interest. Romania and Bulgaria as well as Serbia and Croatia have been represented by some delegates of international consultancies at the best. Could it be that some countries cannot afford the high prices of Mipim and extra expenses during the fair? Or that the relation between costs and results is unbalanced? Despite the about 4,400 investors that took part in Mipim, despite the increasing risk acceptance: some countries seem to be nearly vanished from international investor's radar.

But like other countries becoming now again 'promising' investment locations, the SEE countries will return into the focus again sooner or later—if not the next crisis is causing again the collapse of all the optimism for a bright future Mipim has been emanating this year. I Marianne Schulze

SPRINGTIME CONFERENCE IN VIENNA

On May 19 and 20, 2014 Global Real Estate & Economy Talks will take place in Vienna for the second time. After the first issue of Greet Vienna last year and a positive feedback through and through the combination of networking and conference has been kept although there are some innovations and improvements this year.

Palais Niederösterreich is the noble venue of Greet Vienna.

The concept of Greet Vienna is a combination of networking and conference complemented by some exhibitions. Three pillars, but all of them linked to commercial property and investments in Central, Eastern and South-Eastern Europe (CEE/SEE) including Russia and the Commonwealth of Independent States CIS as well as Turkey. The event is designed for decision makers in the real estate business operating or planning to operate in the above-mentioned region.

Because the main goal of Greet Vienna is to enable networking among the participants the concept has been expanded by so-called Lounge-Talks. Lounge-Talks will be an opportunity to discuss each topic in detail, either in small groups or in face-to-face-meetings. The homepage of Greet Vienna (www.greetvienna.at) is offering a special matchmaking tool that will help to find the right contacts for the respective focal point and/or special interest.

What is new in the conference programme 2014 are specials features on two topics already in discussion at last year's Greet Vienna: finvienna and healthvienna.

Financing is and will remain the crucial point in the real estate business. Without financing no investment and no project development is possible. And different to the times before the financing crisis in 2008, banks are much more reluctant to provide financing loans. That concerns the necessary securities the potential borrower has to ensure, the amount of the loan and the respective risk margins as well as the question if at all banks are willing to take certain risks. In the context of financing issues there is often mentioned alternative debt financing but these, too, have limitations. finvienna will have a closer look at classical and alternative debt financing and will scrutinise individual models, such as large-volume and infrastructure projects, as well as hotels.

healthvienna is dedicated to health and welfare real estate. This special part of Greet Vienna's conference programme exists of two panel discussions, one about the "Prime movers for investments in medical and welfare real estate", as well as of discussions in smaller groups and face-to-face-meetings in the healthvienna Lounge.

Also the keynote speakers of this year's Greet Vienna will attract attention. Gernot Bleier, Consulting Manager of Reality Consult, will held a keynote about "Energy retrofit in CEE", a topic neglected in CEE for a long time, but with the spreading of Green Buildings standards and certifications during the last years becoming more and more important meanwhile.

"Emerging Markets and CEE" is headlined the keynote of Dr. Daniel Thorniley, President of DT-Global Business Consulting GmbH and Co-Founder of CEEMEA Business Group Corporate Service. Daniel Thorniley is exceptionally able in global business strategies and has practical knowledge of operational business, investment and personnel issues. He has worked on a personal basis with 260 companies operating in emerging markets nearly 25 years and has personal contacts with most senior western multinational corporations operating in the CEE/EMEA region and beyond. The list of his clients is impressive and includes 'big names' like ABN Amro Bank, Accenture, Baker & McKenzie, Cisco, Dow Chemical, Dupont, Ernst & Young, Ford, Heineken, IBM, Johnson & Johnson, Kellogg, Kimberly Clark, Nomura, Nycomed, Pioneer, Oracle, and Sanofi-Synthelabo.

Networking and professional talks are the main goal of Greet Vienna.

But prominence will be present at Greet Vienna not only from the economy's side, but as well from the political side. Dr. Johannes Hahn, EU Commissioner for Regional Policy, will officially open Greet Vienna and held the opening speech. Dr. Erhard Busek, former Vice-Chancellor of the Republic of Austria, Chairman of Board of the Institute for the Danube Region and Central Europa and Special Coordinator of the Southeast European Cooperative Initiative (SECI), will speak about "Opportunities in South-Eastern Europe" as introduction keynote to the following panel discussion about the same topic. In this discussion will take part among others Alexander Petritz, who is one of the Members of the Board of Center for European Integration Strategies CEIS. Alexander Petritz is mainly involved in structured urban and regional develepemt as well as infrastructural development and is focused on the Balkans.

But more 'established' markets such as Poland and Czech Republic as well as the 'classical' real estate topics such as investments, residential, hotel and tourism real estate, and "the new playgrounds for project developers" urban districts are among the topics of Greet Vienna.

However, more important than speeches and panel discussions are the possibilities to get in contact with and to talk to other participants of the event. Explicitly Greet Vienna is a networking event and is offering many possibilities for general socialising and more intensive talks in smaller meetings as well. Mainly contacting and socialising will be easy during the impressive evening event when—like last year—farmers from Burgenland are in charge of the catering. Who experienced the buffet last year knows that food and beverage will be a pleasure in every respect.

And last but not least: Vienna during May is always worth a visit—not only from a professional point of view. | Marianne Schulze

AMBIVALENT PICTURE OF RUSSIA

If international investors are active in the Russian real estate market, then they are mainly looking at the capital city of Moscow.

In the years 2011 to 2013 annual real estate investments in Russia are totalling at some USD 8 billion—a transaction volume being the double of that in the booming years of 2006 to 2008. Nevertheless at Mipim Russia has been promoting increased investments in the country.

Russia has been one of the three 'Countries of Honour' at this year's Mipim. Accordingly the country showed not only strong presence in Cannes, but took the chance to promote foreign investments in Russia. There has been a series of very professional events and discussions about the topic that—different to former times—were mainly held in English. The increased efforts to attract foreign investments are related to the establishment of a Russian investment promotion agency 'Invest in Russia' and the establishment of the respective regional agencies, all of them members of the World Association of Investment Promotion Agencies WAIPA.

It has to be noted that in all the discussions about the investment location Russia not only Russian officials and delegates of Russian companies took part, but as well international investors had been invited. One of these has been Lee Timmins, Senior Vice President and Country Head of Hines Russia, who had been a recurrent participant in the different events. What was striking, mainly during a panel discussion organised by Moscow City Government about "Drivers of the real estate market": Russian business people are meanwhile expressing clearly their points of criticism against official measurements such as the change of real estate taxation that—as Mike Stanton, Chief Investment Officer of O1 Properties, explained in private talks—is definitely reasonable, but its introduction has been more or less some kind of unpleasant surprise for the industry.

During all these discussions—and at Mipim at all—the political turmoil in Ukraine and the conflict about Crimea did not seem to be a topic. That the Ukrainian-Russian crisis "is at least not helpful" for attracting investments in Russia, Lee Timmins had to admit when asked directly, but the political development since then should have been almost counterproductive. Just without the current political conflict the topic 'Investments in Russia' is causing mostly rather ambivalent feelings not to overcome by three years of a booming and promising real estate investment market.

According to Jones Lang LaSalle, in 2013 in Russia transaction volume (excluding direct residential sales to end-users, land acquisitions and joint ventures) amounted to USD 8,1 billion, which was a mere down of the investments in 2012 (USD 8.8 billion) and in 2011 (USD 8.5 billion), but significantly above the results in the years 2006 to 2008 when investment volumes reached USD 4–5 billions annually. But with the political uncertain-

The selling of Aura Shopping Center in Novosibirsk in 2013 has been one of the biggest real estate transactions in the Russian regions.

ties in the first quarter of 2014 investment volume dropped by 77 percent compared with the same period of the previous year to USD 472 million.

That means that not only international, but as well domestic real estate investors are currently uncertain about the further political and economic development of the country and are acting very cautiously. Because what has changed fundamentally since the outbreak of the financing crisis is the relation of domestic and international investors. In the years 2004 to 2008 the share of international investments in the total investment volume has been nearly two thirds higher than the share of Russian investments. Now the ratio of international and domestic investors is reverse. However, looking at the annual average amount of money invested by foreign investors then little has changed against the years before 2008: The annual transaction volume by international investors is still at USD 2 billion.

What has also changed during the last years is the average transaction volume per deal. Before crisis transaction volumes amounted to a maximum of USD 800 million per deal, but during the last years there are to state some 'billion' deals such as Galeria Shopping and Entertainment Centre in Saint Petersburg (acquired by Morgan Stanley Real Estate in 2012) and Metropolis Mall in Moscow (an acquisition by Morgan Stanley Real Estate together with Hines and CalPers in 2013) or the sale of White Square Office Centre (to O1 Properties in 2013) and the adjacent White Gardens Office Centre in Moscow (to Millhouse in 2013).

Still Moscow is attracting the lion's share of investments—in 2013 about 85 percent, followed by Saint Petersburg with 5 percent. For the regions remained only 10 percent, and also this share in 2013 is mainly due to the sale of Aura Shopping Centre in Novosibirsk by Amstar and Renaissance Development to RosEuro Development.

So it is not true that the Russian real estate market does not attract international interest. However, there are still many reservations, not only caused by the current political situation.

One of these reservations is related to the economic development of the country. Days when Russia experienced GDP growth rates between 7 and more than 8 percent annually have gone: in 2010 and 2011 GDP growth has been at 4 percent, but in 2012 economy started to slow down to 3.6 percent and in 2013 it was a mere of 1.3 percent. Russian and international experts were assuming that the bottom line has been reached, however, in foreseeable future Russian economy will not rush to new growth summits. Forecasts for GDP growth in 2014 have been at 2.5 percent, but with the Russian-Ukrainian conflict these forecasts have lapsed. At the end of March World Bank stated that at best, i.e. the political turmoil will qualm down, Russian GDP growth will be at 1.1 percent. If the conflict escalates economy could be even shrinking. While in 2009 the economic downturn was caused by a decline in commodity prices on the global market, now the drive is slowed down by rather domestic difficulties, and the impending imposition of sanctions is worsening the situation. During the booming years before 2008 necessary structural reforms have been neglected. Instead of modernising industrial companies and increasing their efficiency regarding costs, investments and resources they have been strongly subsidized with the result that unemployment rates remained low and are currently at less than 5 percent according to official figures of Rosstat.

However, on the global market many Russian companies are no longer competitive because productivity is extremely low—GDP per capita in Russia is less than one third of that in Germany—while wages, at least in the big cities, are relatively high. And while in the past private consumption was supporting economic growth, now this driver is weakening inasmuch as many Russians have run into debts because of this extensive consumption. Meanwhile debts of Russian private households have amounted to the half of Russia's economic performance.

Because crude oil and gas prices are on a relatively modest level Russia's balance of payments has deteriorated. And while Russia is promoting foreign investments urgently necessary for the modernisation of the country's economy, Russians themselves are showing little readiness to invest in their own country, even worse: the capital outflow is relatively high.

Looking at the OECD figures of the inflow and outflow of foreign direct investments, in the years 2009 to 2011, the FDI outflow was higher than the FDI inflow. Only in 2012 the FDI inflow increased again and with USD 30.2 billion it exceeded the outflow (USD 28.4 billion). According to UNCTAD figures, inflows reached a record high of USD 94 billion in 2013, not at least caused by the purchase of an 18.5 percent share of Rosneft by BP.

Nevertheless the net capital outflow of Russia is still high. Even according optimistic estimations capital outflow in 2013 has been amounted to USD 60 billion—nearly the same amount as in 2012, after a record high of USD 80.5 billion in 2011. And with the conflict about Ukraine the capital outflow increased again: According to estimations of the Ministry for Economic Development of the Russian Federation, USD 65 – 70 billion left the country only in the first quarter of 2014.

Russian government is and has been taking measures to improve investment climate, but so far neither domestic nor foreign investors are showing a clear turn to more activity. And at the moment this turn seems more unlikely than ever. But despite the current political situation there are other fundamental concerns causing investor's reservations against activities in Russia.

One of these reservations is the lack of reliability of political and administrative decisions: the most recent change in real estate taxation in Moscow is one of the last examples. What is still more prohibiting international investor's activities is the currently enforced uncertainty about Russia's further political and economical development.

It is always a bit tricky to give forecasts for the future, and especially Russia has been often good for a surprise. Some years before the fall of the Iron Curtain and the dissolution of the Soviet Union nearly nobody would have predicted a development whose turning point is marked by the year 1989. However, the German Friedrich-Ebert-Stiftung has developed four scenarios on the development of German-Russian relations until 2030 (available in English on http://library.fes.de/pdf-files/id-moe/10122.pdf). And one decisive point is the question about Russia's further political and economic development.

Independent of which of the four scenarios might come into reality, there is no doubt that Russia will experience economically

Russian industrial companies are in need of investments to remain competitive.

some difficult times, also without any Western sanctions (the study dates from 2013, long before the outbreak of the Ukrainian-Russian conflict). However, the decisive question is the reaction of the country and its politicians to these challenges.

One model could be to increase the state's income from fossil fuels by increasingly serving the energy-hungry markets in Asia and especially in China—provided the rapid economic growth in this region will continue. The proceeds could be used for a 'soft' modernisation of Russia's industrial and service sector—'soft' in the sense that the change to a modern economy could go off without heavy cuts in social budgets causing large-scale social conflicts and resulting in political turmoil.

If Russia does not succeed in increasing its revenues and/or if these revenues continue to decline because demand for fossil fuels will continuously deteriorate and prices will drop with intensified efforts for climate protection worldwide and a general preference for renewable energies, then Russia could be forced to introduce austerity measures including heavy cuts in social budgets. To avoid social conflicts and to soften the dissatisfaction of large parts of the country's population whose incomes and pensions are decreasing, the austerity measures could be accompanied by the promise of political reforms. It seems to be the most optimistic assumption that these reforms will lead to a fundamental change of politics and politicians and to the introduction of measures aimed at economic modernisation, including fighting corruption, establishment of the rule of law, supporting small and medium-sized companies, investing in science and education, and leading to a climate of innovation.

It seems more likely that parts of the political establishment and the bureaucracy will block the reform process with the result of an at least partly very unstable political situation. Whether there will be a real change or the pendulum will swing back the other way, is an open question. After the dissolution of the Soviet Union Russia's population has painfully experienced political instability and with the crisis of 1998/1999 millions of people lost all their savings. For sure, they fear to experience a similar chaos again, so there is some danger, that the wish to have a 'strong government' will result in a rigid repression of reform-minded and opposition groups, instead of in more open discussions, in real participation and in legal security.

These scenarios have been developed long before the Russian-Ukrainian conflict emerged. The probability that the gap between Russia and Europe is widening and Russia is turning more and more to Asia instead of to Europa is rather high. But as the case with forecasts may be—there are not only different scenarios possible, the further development could be also very different. Too many (and yet unknown) interior and exterior conditions will have an influence on the development's direction. However, one fact is for sure: if Russia wants to keep its global importance in the longer term, then it has to become economically stronger, and by all means, it has to modernise its economy. But given the current situation this modernisation has become more difficult than easier. As well the development of the global political environment is nearly unforeseeable. What remains is to hope for the best—but that exactly is what prevents some international investors from activities in Russia. | Christiane Leuschner

FOR YOUR PLANNING

When	What about	Where	Information and registration
17. – 22. May 2014	FIABCI 65th World Congress „Building Humanity"	Luxembourg	www.fiabci65.com
19./20 May 2014	Global Real Estate & Economic Talks GREET Vienna	Palais Niederösterreich, Herengasse 13, Vienna Austria	www.greetvienna.com
21. – 23. May 2014	RealCorp – 19th International Conference on Urban Planning and Regional Development in the Information Society GeoMultimedia	Vienna, Austria	www.corp.at
29. May 2014	SEE Property Forum 2014	Metropol Palace Hotel, Belgrade, Serbia	www.portfolio.hu/en/events
3. – 5. June 2014	Provada	Amsterdam RAI, Europaplein 22, Amsterdam, The Netherlands	www.provada.nl
24. – 26. June 2014	EIRE Expo Italia Real Estate	Fieramilanocity, Viale Lodovico Scarampo, Porta Teodorico 5, Milan, Italy	www.italiarealestate.it
25. – 28. June 2014	ERES Annual Conference 2014	Bucharest University of Economic Studies ASE Bucharest, Romania	http://eres2014.ase.ro
8.– 10. September 2014	ProEstate 2014 International Real Estate Investment Forum	Expo Centr, Moscow Russia	www.proestate.ru
28. – 30. September 2014	10. Conference of European Regions and Cities „Vision of Europe and its Regions"	City Hall of Vienna, Austria	www.institut-ire.com
6. – 8. October 2014	Expo Real 17. International Trade Fair for Property and Investment	New Munich Trade Fair, Munich, Germany	www.exporeal.net
19. – 21. November 2014	Mapic – The International Retail Property Market	Palais des Festivals, Cannes, France	www.mapic.com

REAL ESTATE INVESTMENT TRUSTS IN EUROPE

In some European countries REITS have been introduced only short time before the outbreak of the financing crisis in 2008. The aim was to build on the success these indirect investment vehicles experienced in the US, in Australia and in some Asian countries like Japan, Singapore, Hong Kong and Malaysia. Different to other investment vehicles, today REITs in Europe have the advantage not to be affected by the regulation measures taken as a result of the financing crisis and affecting banks and financing institutes as well as capital and investment markets.

The book written in English and edited by Ramón Sotelo and Stanley McGreal highlights not only the experiences of the mature REITs markets. It is also embedding the investment vehicle in a greater context. There are analyses of the economics of REITS, of the development and growth of the REITs market, as well as of the role of REITs in strategic investment portfolios. To complete the picture there is also a chapter about REITs seen from the perspective of the international organisations EPRA European Public Real Estate Association and NAREIT National Association of Real Estate Investment Trusts.

In a third part the book offers a closer look at the respective REIT regimes in the single European countries: in Benelux, France, Germany, Italy, Spain and UK as well as in Bulgaria, Greece and Turkey.

All authors of the book are academics from the respective countries lecturing at universities and/or active in the research of EPRA and NAREIT. "Real Estate Investment Trusts in Europe" is a fundamental book for all who—in which way ever—are involved in the REITs business.

Ramón Sotelo, Stanley McGreal (Editors)

Real Estate Investment Trusts in Europe – Evolution, Regulation, and Opportunities for Growth

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