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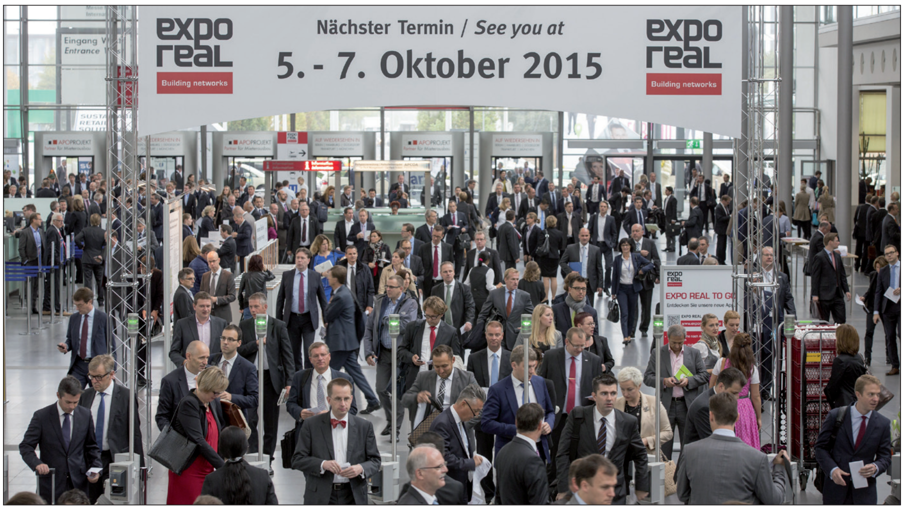
SPH newsletter

DEAR READERS!



After Expo Real in October, there are following some more event in mid-November, unfortunately all during one and the same week: in Cannes Mapic takes place, the international trade fair about retail and retail property, in Frankfurt am Main Euro Finance Week and in Kitzbühel in Tyrol re.comm. Nobody can be in three places at the same time. So I decided to take part ‘only’ in Euro Finance Week to moderate a panel discussion about “Real Estate Relations” between Germany and Turkey. A panel discussion about Turkey I have already moderated at Expo Real, and furthermore one about the “Financial Centre Moscow”.

Another financial centre is currently in the news headlines: Luxembourg. There is talk about ‘tax haven’ and how more than 340 often big and well-known companies are reducing their taxes by way of branches in Luxembourg. It is to comprehend that companies take the opportunity of tax shelter enabled by countries. But there is to ask, if all that is legal is also right. Thereby we have come to the topic of finance and state regulations discussed also at Expo Real: What is permitted to governments? What are governmental institutions able to do? What should be controlled by governments? And to expand the questions to the more general: How do national governments define themselves? And how the European Union? Analogically the private sector of economy has to be asked the same questions.

I wish you reflectiveness and contemplativeness during these autumnal days. Both are qualities able to supplement the starting end of year rush.

Yours,

Andreas Schiller

On behalf of a German pension fund Invesco Real Estate has acquired Riverview office project in Prague 5. The building will offer approximately 7,000 square metres of leasable office space.

INVESCO ACQUIRES RIVERVIEW OFFICE PROJECT IN PRAGUE

On behalf of a German pension fund Invesco Real Estate has acquired Riverview in Prague, an office building developed by Skanska Property Czech Republic. The value of the transaction amounts to EUR 20 million.

The building, situated in Prague 5, Smichov, offers approximately 7,000 square metres of leasable office space out of which 90 percent is leased to the pharmaceutical company MSD. Riverview is scheduled to be completed in December 2014.

O1 GROUP ACQUIRES A MAJOR STAKE IN AUSTRIAN CA IMMO

O1 Group Limited, a Cyprus company and parent company of O1 Properties Ltd, has acquired 15,954,891 ordinary shares, that correspond to approximately 16.35 percent of the outstanding share capital and voting rights of CA Immobilien Anlagen AG from Unicredit Bank Austria. Total value of the transaction is about EUR 295 million.

In addition to this transaction, O1 Group intends to launch a voluntary public takeover bid for up to approximately 26 percent of the issued ordinary shares of CA Immobilien Anlagen Aktiengesellschaft.

O1 Group is a private holding company that focuses on strategic investments and asset management in different business areas such as real estate and finance. Among its most prominent assets is a majority ownership (more than 60 percent) of O1 Properties. O1 Properties is the largest office landlord in Moscow with almost 500,000 square metres of rentable space and a portfolio of 13 office assets of USD 4.5 billion value plus 3 development projects.

CONSTRUCTION PERMIT FOR FORUM RADUNIA IN GDANSK

Multi Corporation has received building permission for Forum Radunia, a new urban shopping centre complex offering 62,000 square metres of gross leasable area. The project will be built in downtown Gdansk and is due to commence in autumn 2014 with the opening planned for late 2016.

Forum Radunia has been designed to revitalize the six-hectare historic areas of the former Hay and Crayfish markets in Gdansk. The site is located in the very centre of the city, adjacent to the main railway station, the Old Town and key municipal buildings.

The full potential of the location has not yet been exploited, mainly due to the fact that railway lines run through the land. One of the most important elements of the project is therefore to house and cover the railway tracks inside the complex. The process of creating a tunnel over the tracks is already underway, following which the area above and the adjoining 1.5 hectares of land can become part of the complex.

Park Vera shopping centre in Ankara has been developed by Turkish investor Baskent A.S. ECE Türkiye was tasked with the leasing and management fo the shopping centre.

PARK VERA SHOPPING CENTER IN ANKARA HAS OPENED

After a construction period of two years, Park Vera shopping centre in the Turkish capital Ankara opened. On four levels, it comprises 75 stores, restaurants, cafés, a children's play area, and a cinema with 6 halls on a leasable area of around 40,000 square metres.

Together, Park Vera and the neighbouring Acity shopping centre constitute one retail destination with an overall leasable area of 79,000 square metres and approximately 240 shops. A total of 2,500 parking spaces are available for visitors arriving by car. The investor of the project is Baskent A.S. ECE Türkiye was tasked with the concept design, leasing, and management of the centre.

EPH DISPOSES OF PETROVSKY FORT IN SAINT PETERSBURG

Eastern Property Holdings (EPH) announced the disposal of its office and retail property Petrovsky Fort in Saint Petersburg. The transaction price for 100 percent of the property amounts to USD 51 million. Petrovsky Fort has nine office and two retail levels with a large central atrium. Of the total net rentable area, approximately 15,000 square meters are designated for office use and about 6,000 square meters as retail space. The building has an underground parking facility with 119 parking spaces and above-ground parking for 36 cars.

ADGAR GROUP PURCHASES CIRRUS OFFICE BUILDING IN WARSAW

Adgar has signed an agreement for the acquisition of the Cirrus office building situated in the Mokotów Business District, which the company has renamed Adgar Wave. This is the Adgar Group's sixth investment in Warsaw. The acquisition includes a 2,925 square metre plot and an office building offering a total of 14,007 square metres of office and retail space and 283 parking places in an underground car park. The seller is Castle Carbery Properties, on behalf of Mazovia Holdings II sp. z o.o. which was represented in the transaction by Colliers International.

CARREFOUR BECOMES PARTNER IN PARKLAKE DEVELOPMENT

ParkLake, a Sonae Sierra and Caelum Development project, located in the 3rd sector of Bucharest, has signed a contract with Carrefour for the ownership and operation of the hypermarket in the shopping centre. With this contract, Carrefour becomes a partner in the ownership of the project. ParkLake represents EUR 180 million in investment and it will open doors in 2016. The shopping centre will offer 70,000 square metres gross lettable area and 2,600 spaces of underground car parking.

The new office and commercial building Astoria Strabag Real Estate is developing in Warsaw will have a gross floor area of 28,000 square metres. Completion is planned for 2016.

STRABAG RE DEVELOPS OFFICE AND COMMERCIAL BUILDING IN WARSAW

Strabag Real Estate GmbH is developing an office and commercial building in Warsaw. The project Astoria with a gross floor area of nearly 28,000 square metres will be erected right in the centre of the Polish capital city, directly between the Old Town and the city's business district. The contractor Strabag Sp. z o.o. has already started the works. The completion of the EUR 75 million project is planned for the first half of 2016.

MITISKA REIM ACQUIRES RETAIL PARK IN ŠABAC IN SERBIA

Mitiska REIM, a Brussels-based real estate investment management company, has acquired an 85 percent interest in the retail park Capitol Park Šabac in Serbia. Mitiska REIM made this investment on behalf of its specialised real estate fund First Retail International (FRI). This acquisition is the first realization of the exclusive country partnership between Mitiska REIM, manager of FRI, and Poseidon Group, the developer of Capitol Park Šabac. Poseidon Group remains with a 15 percent stake.

Park Šabac includes a retail area of 9,622 square metres on a 27,000 square metres site, and comprises 17 retail premises ranging from 13 to 3,000 square metres and 395 parking spaces. The scheme is 95 percent pre-leased.

SECOND DEVELOPMENT AT PROLOGIS PARK PRAGUE-AIRPORT

Prologis has signed a lease agreement with Cerva for a build-to-suit development of 31,190 square metres at its recently-acquired Prologis Park Prague-Airport. The new project for Cerva, a wholesale personal protection equipment supplier, is the second at the park. Prologis Park Prague-Airport is located by exit 7 on the R6 highway, just five minutes from Prague Václav Havel Airport, three minutes from the Prague Ring Road and 10 minutes from the D5 highway, which connects Prague with Plsen and onto Germany.

CTP FINALIZES ACQUISION OF D8 EUROPEAN PARK

CTP has met with representatives of sellers AFI Group and ProDelta at the legal offices of Dentons in Prague to complete the final signing of the purchase of its third industrial park in the Prague region. The park currently consists of a newly-constructed building of 21,000 square metres and adjacent land available for approximately 70,000 square metres of new development. The property, formerly known as the D8 European Park, will be rebranded to CTPark Prague North and refurbished.

Atrium European Real Estate has acquired Focus Mall in the Polish city of Bydgoszcz from Aviva Investors. The Mall has been opened in 2008 and comprises 41,000 square metres of retail gross leasing area.

ATRIUM ACQUIRES FOCUS MALL IN BYDGOSZCZ

Atrium European Real Estate announces that it has agreed to acquire Focus Mall in Bydgoszcz, Poland from Aviva Investors for EUR 122 million. The acquisition will be financed using existing cash resources.

Focus Mall was originally developed in 2008 and is the dominant shopping centre in Bydgoszcz. It comprises 41,000 square metres of retail gross leasing area across two storeys, which is currently let to a number of anchor tenants including an approximately 2,800 square metre Alma supermarket, a Saturn electronics store and a Cinema City, as well as a large number of international and domestic retail fashion brands including C&A, H&M, Reserved, Cropp, House, Bershka, Pull & Bear and New Yorker.

MCARTHURGLEN JOIN FORCES WITH FIBA GROUP IN TURKEY

McArthurGlen, owner, developer and manager of designer outlets, has partnered with Fiba Group, a Turkish international financial and retail group, to open the first two designer outlets in Istanbul.

Reflecting an investment of over EUR 250 million, McArthurGlen will open one Designer Outlet on the European side of Istanbul, near the new international airport set to open in 2018 and to be the world's largest airport, and the other in a university quarter on the Asian side.

The two Istanbul Designer Outlets will be the partnership's first in Turkey, with further centres planned across the country. They will initially offer a total of more than 66,000 square metres, with each one offering over 33,000 square metres. Both will be built in phases, with the first phase being 20,000 square metres. Construction of both McArthurGlen Designer Outlets is planned to begin in 2015, with openings projected for 2016.

CA IMMO DISPOSES OF LOGISTICS ASSETS IN EASTERN EUROPE

CA Immobilien Anlagen AG announces that its negotiations regarding the sale of a logistics portfolio with approximately 467,000 square metres of total lettable space were concluded successfully. The transaction, which is still subject to contractual terms and regulatory approvals, comprises a logistics park in Romania (215,000 square metres), two standing assets in Poland (252,000 square metres) and almost 165 hectares of land for development, principally in Poland and Romania. The purchasing agreement was signed with P3, a specialised owner, developer and manager of European logistics properties. P3 is owned by shareholders TPG Real Estate and Ivanhoé Cambridge. The parties agreed that the financial terms of the transaction are not being disclosed. The assets are currently held in a joint venture between CA Immo and European Bank for Reconstruction and Development (EBRD).

Tensor will be the second business park developed in the Polish city of Gdynia. The project includes three buildings comprising a total of 20,000 square metres of office area.

BUILDING PERMIT FOR TENSOR OFFICE COMPLEX IN GDYNIA

The office complex, Tensor, located at 8 Łużycka street in Gdynia, has been granted a final building permit. The latest project of the developer Euro Styl has received all the necessary permits in early September. Tensor will be the second business park in Gdynia. The project includes three buildings X, Y and Z, comprising a total of 20,000 square metres of office space. Completion of the investment's first stage—office building X with office space of 4,960 square metres—is scheduled for Q1 2016. The commercialisation of the project is conducted by JLL.

EPH ACQUIRES SEVERNOE SIYANIE OFFICE BUILDING IN MOSCOW

Eastern Property Holdings (EPH) announced the acquisition of full ownership of the office building Severnoe Siyanie located in the North of Moscow, inside the Third Transport Ring Road. The transaction price for 100 percent of the property amounts to USD 152.8 million (EUR 120.5 million).

Severnoe Siyanie has been constructed in 2006 with 14 above ground levels and was fully renovated in 2012. Severnoe Siyanie with a total leasable area of 30,000 square metres is almost fully rented out to a mix of international and Russian tenants.

FIRST CLOSING FOR ECE EUROPEAN PRIME SHOPPING CENTRE FUND II

For ECE European Prime Shopping Centre Fund II the first closing in excess of EUR 500 million has taken place. Investors include, alongside the Otto family and ECE employees, a number of global institutional investors including pension funds and sovereign wealth funds. The total target volume for the fund is EUR 750 million which equals a gross asset value of approximately EUR 2 billion. ECE Fund II will continue the investment strategy of ECE Fund I and focus on acquiring existing European shopping centres with value-add potential.

Zielone Arkady in the Polish city of Bydgoszcz, which is currently under development by ECE, has been secured as the first property for ECE Fund II. The acquisition will take place following the opening of the centre in 2015. The final closing for the second fund is planned for 2015, the investment period will last until 2018.

NEPI OPENS NEW MALL IN ROMANIA

Real estate investment fund NEPI has opened its mall in Targu Jiu, southern Romania, following an EUR 30 million investment. The Shopping City Targu Jiu comprises 27,000 square metres gross leasing area und is anchored by Carrefour, H&M, and a 1,000-seat Cinema City multiplex. It is NEPI's second mall opening this year in Romania.

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ERSTE REAL ESTATE FUND BUYS VISION TOWERS IN BUDAPEST

Vision Towers is the most recent development in the Váci Street office corridor in Budapest. The first phase of the project, serving as KPMG's headquarters in Hungary, has been acquired by an open real estate investments fund of Erste Group.

Erste open-end Real Estate Investment Fund has acquired Futureal's new Vision Towers (North) office block serving as KPMG's Headquarters. Delivered in August 2014, Vision Towers is the youngest building in the Váci Street office corridor with a direct connection to the metro. With a gross leasable area of 11,125 square metres, the office tower is the first phase of the Vision Towers project. The purchase price has not been disclosed.

VASTINT – THE JOINT NAME OF INTER IKEA PROPERTY DIVISION'S UNITS

The Inter Ikea Property Division announced the rebranding of its nine business units under the name Vastint. The nine business units of the Inter Ikea Property Division are: Swede-Center (Poland), Galliford (Belgium), Pronam (Netherlands), Pinus Proprius (Lithuania), Larix Property (Latvia), Interprime Properties (Romania), LandProp (UK), Vastint Land (across Europe) and Inter Hospitality (across Europe). Vastint Holding B.V. is the holding company of the Inter Ikea Property Division established in 1989 in the Netherlands.

IMMOFINANZ OPENS FIRST VIVO! SHOPPING CENTRE IN POLAND

In the Polish city of Piła, Immofinanz Group has completed the first shopping centre in its new VIVO! retail brand. The investment for the shopping centre comprising roughly 24,000 square metres of selling space amounted to EUR 32 million. A second VIVO! shopping centre is under construction in Stalowa Wola—a city in the south-west of Poland—and is scheduled to open during the third quarter of 2015. The characteristic features of the VIVO! concept include single-storey construction and a focus on fashion and entertainment with strong anchor tenants. The VIVO! concept will be realised, above all, for secondary cities in CEE with a population of 40,000 to 100,000 persons.

DEUTSCHE AWM ACQUIRES METROPOLITAN IN WARSAW

On behalf of one of its special funds for instituional investors Deutsche Asset & Wealth Management (Deutsche AWM) has acquired the Metropolitan office building on Pilsudski Place in Warsaw's city centres. Vendor of Metropilitan was Aberdeen. The investment was approximately EUR 190 million. By this acquistition Deutsche AWM's investment in Poland amounted to more than EUR 1 billion. Constructed in 2003 according to Sir Norman Foster's design, Metropolitan provides 38,000 square metres of leasable area (office: 33,560 square metres, retail: 3,655 square metres) arranged over seven floors grouped in three separate yet connected buildings, each with its own separate reception area, and two underground parking levels.

Visualization of the west entrance of Zielone Arkady: now the foundation stone for the new shopping centre in the Polish city of Bydgoszcz has been laid.

FOUNDATION STONE LAID FOR ZIELONE ARKADY IN BYDGOSZCZ

ECE Polska has laid the foundation stone for Zielone Arkady shopping centre in Bydgoszcz, the capital of the Polish voivodship of Kujawy-Pomerania. It is the largest project of ECE Polska to date. After its opening in autumn 2015, the centre will provide 200 shops and restaurants on three levels on an overall leasable area of approximately 51,000 square metres.

ECE/Otto family are the investors of the EUR 150 million project. The company will also take over the long-term operation and leasing of the center via its subsidiary ECE Polska.

IKEA SHOPPING CENTRES RUSSIA TO DEVELOP MEGA MYTISCHI

Ikea Shopping Centres Russia is investing EUR 260 million to develop a new 215,000 square metre shopping mall in Mytischi, north east Moscow. Mega Mytischi will be one of Europe's largest shopping centres.

Scheduled to open in early 2018, Mega Mytischi, like all of Ikea Shopping Centres Russia's Mega branded malls, will include an Ikea store as anchor tenant, along with other DIY and hypermarket anchors.

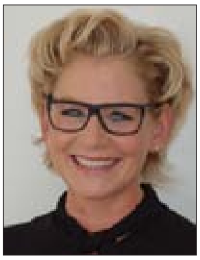
Mega Mytischi's development is part of a wider investment programme being undertaken by Ikea Shopping Centres Russia between now and 2020. Ikea Shopping Centres Russia already has Mega malls in 11 of Russia's 15 'Millionniki' cities with over one million people. Plans for new Mega malls will continue to focus on cities with a population of over one million, but the shopping centre developer has confirmed it is also looking closely at cities with populations of over 500,000.

VALAD EUROPE TARGETING CENTRAL EUROPEAN RETAIL REAL ESTATE

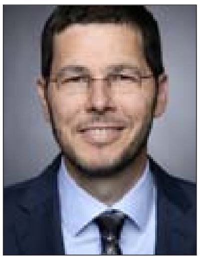
Valad Europe has entered into a joint venture agreement with a new investor to build a portfolio of Central European retail assets called the Valad Central Europe Retail Partnership (VCERP). It has also completed the partnership's first investment by purchasing the Galeria Butovice shopping centre in Prague from ING Real Estate Finance. The 36,500 square metre shopping centre was built in 2005 and is let to around 100 tenants including supermarket chain Albert, Intersport and H&M.

With an initial target gross asset value of EUR 500 million, VCERP will invest in first and second generation shopping centres, retail parks and retail outlets in primary and secondary macro locations in Poland and the Czech Republic. Seeded with EUR 200 million of equity, VCERP will employ 60 – 70 percent leverage. Debt financing will be sourced from a pool of lenders with whom Valad Europe already has existing relationships.

STAFFING

left: Robert Bambach
right: Sandra C. Bauer




left: Andreas Beckers
right: Rüdiger Dany


left: Scott Dwyer
right: Christian Traunfellner

Robert Bambach takes up board position for real estate acquisitions at Commerz Real. He will assume responsibility for the portfolio in February 2015. Robert Bambach is joining Commerz Real from Hochtief Projektentwicklung GmbH, where he has been employed since 2000 and been Managing Director since 2008.

Sandra Bauer has been appointed as the new Head of Corporate Communications at Porr AG. After studying public relations, Sandra Bauer has amassed 20 years of experience in communication. At Immofinanz AG she built up the Corporate Communications division in her role as Manager, she was also Head of Marketing and Communications at Accenture in Austria and she was responsible for international PR and internal communication at Wienerberger AG.

Andreas Beckers is joining the Management Board of Warburg-Henderson, a joint venture between M.M. Warburg and TIAA Henderson Real Estate, with effect from October 1, 2014. Andreas Beckers will work alongside Eitel Coridaß and Andreas Ertle and be responsible for product development, institutional sales and marketing. He joins from Art-Invest Real Estate Funds where he holds the role Business Development Director, responsible for the development of new real estate investment approaches and their implementation on behalf of institutional investors. Prior to this, he held various positions at DIL/Deutsche Bank-group, KGAL, HSH Real Estate and Commerz Real amongst others.

Rüdiger Dany has been appointed Chief Operating Officer of Atrium European Real Estate, effective as of October 1, 2014. Rüdiger Dany will succeed the current COO, Josip Kardun, who assumes the role of CEO as of 30 November 2014. Rüdiger Dany joins Atrium after 11 years at ECE Projektmanagement and its subsidiaries across Europe and the Middle East, including five years in senior positions in CEE. Most recently, from September 2013 he was Chief Executive Officer of European retail property management company Auxideico Gestión, S.A.U., a member of the ECE group, which manages 16 shopping centres in Spain owned by international investors.

Scott Dwyer has been appointed CEO of Atrium European Real Estate Limited in Poland. Originally from Australia, Scott Dwyer has more than 15 years' experience operating in Central and Eastern European markets, having been based in Poland for most of that time. He joins Atrium from Heitman International, where for the past two years he was Executive Vice President and Head of Portfolio Management. From 2009 to 2012, Scott Dwyer was General Manager at ING Real Estate Development International with core responsibility for Germany, Italy, Poland, Czech Republic, Hungary, Switzerland and Romania, as well as retail assets across the business.

Christian Traunfellner was appointed Director of Asset Management for the office and logistics portfolio of Immofinanz Group at the beginning of October. He succeeds Dietmar Reindl, who was appointed to the Executive Board as of 1 May 2014. Christian Traunfellner studied Laws and holds an MBA. Over the past nine years he served as Member of the Management Board of Uniqa Real Estate AG, where he played a key role in the company's development. His previous positions involved asset management at Raiffeisen Centrobank AG and Uniqa Versicherung AG.

LETTINGS

GREENPOINT 7 AND CBC, BUDAPEST — HUNGARY

Immofinanz Group has signed several large lease agreements in its Hungarian office buildings. The Tempus Public Foundation under the supervision of the Ministry of Human Capacities has leased 2,000 square metres in the Greenpoint 7 office building. And a lease for 2,500 square metres in the Central Business Center office building was concluded with another governmental organisation.

TWIN CENTER, BUDAPEST — HUNGARY

Austrian S Immo AG has fully leased the office property Twin Center in Budapest to the Hungarian Office of Immigration and Nationality, which now has more than 6,000 square metres of office space and 1,000 square metres of storage space at its disposal.

EMPARK MOKOTÓW BUSINESS PARK, WARSAW — POLAND

In Q2 and Q3 of 2014, for Warsaw's Empark Mokotów Business Park office complex new lease agreements were signed by PZU (over 1,700 square metres), Heinz (687 square metres) and AstraZeneca Pharma Poland (an additional 532 square metres). Furthermore, standing lease agreements were renewed by CHEP Polska Sp. z o.o. (1,247 square metres with an expansion) and Intrum Justitia (1,247 square metres). Empark Mokotów Business Park is comprising more than 115,000 square metres across nine buildings. JLL is the exclusive leasing agent to all nine buildings.

EQUATOR, WARSAW — POLAND

Immofinanz Group has signed a lease agreement with the Polish General Inspectorate of Road Transportation for more than 7,000 square metres in the Equator office building, which is located in Warsaw's Ochota district. This represents the largest single office lease concluded by Immofinanz Group in Poland.

EUROCENTRUM OFFICE COMPLEX, WARSAW — POLAND

The Polish unit of Fresenius Kabi has leased over 1,400 square metres of office space in the Eurocentrum Office Complex in Warsaw's Ochota district. JLL represented the tenant during the negotiation of lease terms. The building's owner, Capital Park, was advised by Cushman & Wakefield. Eurocentrum Office Complex comprises three buildings offering approximately 64,000 square metres of office space within 15 storeys.

IO-1, WARSAW — POLAND

Immofinanz has signed three lease agreements in the IO-1 office building for a total of 2,300 square metres. The tenants are Opera Software Poland – with more than 1,600 square metres, FHP-Vileda – with approximately 300 square metres, and IT Works – with around 350 square metres.

GALERIA PÓŁNOCNA, WARSAW POLAND

Carrefour will lease 9,300 square metres of retail space in Galeria Północna in Warsaw. The mall will also feature the whole range of LPP's clothing brands: House, Mohito, CroppTown and Sinsay, as well as Home&You, an interior decoration and home accessory chain. All the LPP's shops located in Galeria Wilanów will total 4,670 square metres. Galeria Północna will offer approximately 64,000 square metres gross leasing area. It is in the final stages of legal preparations to start of construction works. The construction will begin immediately after obtaining the building permit and it will take from 20 to 24 months. The project is co-leased by JLL and DTZ.

PRIME CORPORATE CENTER, WARSAW POLAND

Raiffeisen Polbank has leased 19,500 square metres of office space and additionally retail space on the ground floor in Prime Corporate Center office building in Warsaw's Wola district. The building is currently under construction. Raiffeisen Polbank will move into the Prime Corporate Center in the first half of 2016 and will occupy almost the entire building. Investor and developer of the office building is Golub GetHouse. Colliers represented Raiffeisen Polbank in the lease transaction.

GALERIA WILANÓW, WARSAW POLEN

Carrefour will lease 6,800 square metres in Galeria Wilanów in Warsaw. Further more Globe Trade Centre S.A. (GTC) has signed a lease agreement with H&M for 2,600 square metres of retail space in Galeria Wilanów. The mall will also feature the whole range of LPP's clothing brands: House, Mohito, CroppTown and Sinsay, as well as Home&You, an interior decoration and home accessory chain. All the LPP's shops located in Galeria Wilanów will amount to 4,680 square metres. Galeria Wilanów, located in the south of Warsaw, will offer over 61,000 square metres gross leasing area. It is in the final stages of legal preparations to start of construction works. The construction will begin immediately after obtaining the building permit and it will take from 20 to 24 months. The agent responsible for leasing the scheme is JLL.

PANATTONI PARK GDANSK, GDANSK POLAND

Bufab Poland – a Polish branch of one of the leading suppliers of C-elements and Small Parts – has signed a lease agreement for 1,700 square metres of warehouse space as well as 400 square metres of office space in Panattoni Park Gdansk. The lease agreement was negotiated by JLL.

GALERIA SUDECKA, JELENIA GÓRA POLAND

A shop of the Molton chain with an area of 90 square metres is to be opened in Galeria Sudecka in Jelenia Góra. Molton is a Polish company which specializes in the production and sales of elegant women's clothing. Furthermore there is to be opened a Vision Express outlet with an area of 95 square metres. Galeria Sudecka is being developed by Echo Investment. It comprises approximately 50,000 square metres of retail area and will include 100 shops, restaurants and service outlets. The opening of Galeria Sudecka is planned for the spring of 2015.

GPP BUSINESS PARK, KATOWICE — POLAND

TPG Katowice, subsidiary of Teleperformance Germany, has signed a lease agreement for 2,300 square metres of office space in GPP Business Park. During the negotiations TPG Katowice was represented by JLL. GPP Business Park complex is located in the north of Katowice within the area of the Katowice Special Economic Zone.

GREEN HORIZON, LODZ — POLAND

Skanska Property Poland and Infosys BPO Poland have signed a lease agreement for an area of over 21,000 square metres in Infosys Green Horizon office complex in Lodz. It covers new lease terms for the area already occupied by Infosys plus an additional 3,800 square metres of office space. The new lease agreement extends the lease period to 2024.

PROLOGIS PARK WROCLAW III, WROCLAW — POLAND

Prologis has signed a new lease agreement for 7,500 square metres of industrial and office space at Prologis Park Wroclaw III, with Leader Logistics. Prologis Park Wroclaw III comprises 148,000 square metres of space.

THE WORLD OF RETAIL IN CANNES

Since 20 year retailers and real estate professionals meet annually at Mapic.

On November 19 – 21, 2014 the 20th International Retail Property Market Mapic takes place in Cannes. At the event retailers and developers will meet and the focus is on all kinds of retail property.

Since 20 years every autumn Mapic is on the agenda of those dealing with retail business—a constant in the increasingly rapid changing world of retail. In 1995, when the first issue of Mapic took place, 1,064 participants from 30 countries came to Cannes. Ten years later the number of participants had more than sextupled, and this year the organisers of the event Reed Midem are expecting approximately 8,300 participants, among them 2,400 representatives of retail chains.

So far (November 8, 2014) 646 exhibitors are registered—among them 585 from Europe and 157 especially from Central and Eastern Europe including Russia and Turkey. As visitors there will be representatives of 2,636 companies—2,373 of European origin and among them 508 from Central and Eastern Europe. By a closer look at the figures of registered companies it becomes evident that retailers, as exhibitors a sought-after community of many property fairs, are mainly visiting Mapic, but not exhibiting. From the registered 1,346 retailers only 48 are present in Cannes as exhibitors. Therefore Mapic is not a 'retail fair', but really a 'Market for Retail Property'.

Looking at the participation of Central and Eastern European companies, Russia is providing the strongest group of exhibitors (63), followed in clear distance by Turkey (28 exhibitors). On the third and fourth rank there is Poland with 18 and Czech Republic with 11 exhibitors. From all other countries the number of exhibitors is in the one-digit range—mostly they are represented by only one to three exhibiting companies, among them often national subsidiaries of international companies.

Wherever talks about the future of retail and retail property take place, there are many questions marks about the further development. Online shopping is rapidly increasing and competing with stationary retail, and in many shopping centres footfall is decreasing; smart phones and tablets are changing consumer behaviour—and that all in ever-increasing speed. These developments have an impact not only on retailers but also on those connected with retail property like investors, developers and operators. Therefore it is not surprising that especially these topics are on the top of the conference programme and part of a series of discussions and events to mark Mapic's 20th anniversary.

On the first day of Mapic one of these events is headlined "Back to the future – What's in store for the future of retail" (Wednesday, November 19, 2014, 10:00 – 10:45). The discussion will give a short retrospective of the last 20 years in retail and present what will be the new and disruptive retail concepts for the next 20 years. Retailing will become an industry that realises, more and more, that it must tailor its offerings to select customers, as opposed to the mass appeal approach of the 1980s, in order to win over customers and foster greater customer loyalty.

Another discussion is about the "Omni-channel revolution in retail: strategies to drive growth through multiple channels" (Wednesday, November 19, 2014, 16:30 – 17:15). Here the focus is on technology solutions retailers will have to use in order to implement omni-channel retailing strategies, to attract and keep consumers, to analyse customer data and predict customer behaviour, to manage stock and inventory.

That the digital transformation and its impact on the society is one of the great challenges retailers have to face, is to note by the multitude of lectures on customer behaviour. But as in the past also this year a great part of Mapic's conference programme is also about expansion and markets—topics retailers are quite more familiar with. I Christiane Leuschner

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DIGITAL TRANSFORMATION IS CHANGING THE WORLD

Gadgets like smart phones and tablets are causing fundamental changes in customer behaviour.

We all use smart phones and tablets, we communicate with many other people by Twitter and Facebook, we inform us by the web, we appreciate the comfort to shop online at every time and everywhere and have goods delivered directly at home. But at the best this is only the tip of the iceberg approaching and changing our life fundamentally.

For the first time the conference programme of Expo Real included a series of sessions headlined "Masterminds" These sessions had the focus on topics that reach out of the line of real estate subjects, but are influencing the future of the industry as well.

Two of the three 'masterminds' in Expo Real Forum dealt with the rapid change of the world by digital revolution. One of them was the futurologist Klaus Burmeister who gave a summary of the most recent developments and the resulting changes in production, cities and society. The second "mastermind" was Collin Croome, owner of an agency for e-branding. He demonstrated the increasing importance of the web and especially the social media for the image of brands and companies. However, he also mentioned the risks. As an example he chose Apple's new iPhone 6 that a user was unwrapping in front of a recording camera. At the end the user was bending the iPhone by brute force—all in real time shown in the internet and repeatable at every time. The result was a clamour of outrage on the Internet, especially by posting and writing in social media. Apple shares depreciated and the company's value on the stock exchange decreased by USD 24 billion. In other words: success or failure of companies and brands is also depending on the image communicated by the social media.

However, there was still another 'mastermind' at the Expo Real's conference programme. Less promoted and nearly at the same time as the "Masterminds" session in Expo Real Forum took place a Retail Dialogue in the Special Real Estate Forum with a key note by David Bosshart, CEO of GDI Gottlieb Duttweiler Institute for Economic and Social Studies, the think tank of Switzerland. His topic was "Retail 2020: Shaping future markets with man and machine" and referred to the impact of the digital transformation on retail. According to him the most difficult thing is to meet the right time to adapt to consumer's new possibilities: "Who is too late, will be punished by competition; who acts too much in advance, will be punished by decreasing cash-flow", he summarised the dilemma retailers currently have to face.

The changes by the digital revolution he demonstrated with some striking ex-

David Bosshart (left) and Collin Croome (right) presented prospects to the brave new world of digital transformation.

amples: the former public square is replaced by Twitter, the former supermarket by Amazon, the table talk by WhatsApp, the library by e-book readers, the family album with many pictures by Facebook, the typing machine by tablets, and storage room or shelves by the cloud. Especially for the generation of 'digital natives' all these tools and gadgets are a matter of course and for them "real life takes place in the social media", David Bosshart explained.

He did not only show how digital possibilities are changing life, he also pointed out that consumer needs are changing. Instead of acquisition and ownership availability is gaining importance, a trend to observe not only in the field of car sharing, but as well in many other areas. But digital transformation is causing still something else retailers have to keep in mind: customers appreciate more and more convenience, the time to attract and keep their attention is shortening, appeals have to be stronger, the limits of endured complexity are narrowing, and the ability and willingness to concentrate as well as self-discipline are diminishing. In other words: attracting and convincing customers to buy something is becoming more and more difficult. While distrust in institutions is increasing trust is a keyword in customer relationship. But trust can be created only by direct contact. And last but not least it is less the product itself that attracts but emotions linked with the product.

What are the consequences of these developments for retail? According to David Bosshart the shopping centre with long-term lease agreements for traditional is no longer a model for the future. 'Events' will come to the fore. That is also true for the trend of re-sales. 'Re-use' and 're-commerce' will increase and become a new competitor of retailers. In former times it was called 'second-hand' articles, now it is described as 'pre-loved' products and who wants to sell them creates an event announced by social media. Whether first or second hand, events need locations to take place, but this locations are needed only for short term. And retailers have to be prepared to approach their potential customers by all channels—besides the offer in the shop also via internet, social media and twitter.

There is no doubt that we all produce a broad data track with our gadgets, confirmed the Swiss mastermind. The benefit is clearly at those who are able to deal with these data in the right way because by these data purchase decisions become foreseeable. He demonstrated by a little film about the delivery of an Amazon package and how the company knows in advance what the customer will be in need of, while the customer himself has still no idea about it (www.youtube.com/watch?v=BPGeOE6qwp8). In a certain sense it was funny, but at the same time laughter sticks in the throat. Because it will be one of the most important challenges of the future who will have all the data at his disposal and the possibility to use them for his own advantage. Currently it is companies like Amazon and Google, who are benefiting, because for the convenience and comfort they offer we pay with our time and data—and there is to add that thereby we open all doors to manipulate us. So also the brave new digital world has its underbelly.

However, there is no chance to stop the development, David Bosshart emphasised. Therefore it is good advise to everybody to prepare for the change the digital transformation is causing, albeit you are a 'digital native' or not. And especially retailers have no other chance than to keep up with the time if they do not want to loose their customers and be beaten by competition. | **Marianne Schulze**

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THE REAL ESTATE INDUSTRY IS BOOMING AGAIN

More participants than ever and positive mood characterised this year's Expo Real.

Again Expo Real announced figures higher than the year before. The international interest in Germany, but as well the other way round the German interest in international markets is booming. Banks are providing financing facilities for transactions, and the low interest environment is supporting the business. Therefore nearly without exception the October meeting of the real estate industry was characterised by positive mood.

36,900 professionals of the real estate industry took part in the 17th Expo Real—900 more than the year before. And the fair has become more international: from 74 countries (the year before: from 65 countries) exhibitors and visitors came to Munich. The increase in participation was less due to trade visitors—their number was with 18,600 the same as in 2013. It was mainly due to the fact that the exhibiting companies and public authorities took part in the fair with more representatives. The number of exhibitors itself remained nearly the same: in 2013 it was 1.653, this year it was 1.655 exhibitors.

Among the top ten countries of origin for the visitors there are some changes. Visitors from UK were still the strongest group, followed by the Netherlands and Austria—both has changed places as opposed to the previous year—as well as by Switzerland and France. In former years France has been followed by Russia; this year Poland, the Czech Republic and USA got ahead of Russia by number of visitors. However, given the current political situation, Russia showed strong presence at Expo Real. In this point Messe Munich is benefiting from many years of good relationships to Russian exhibitors like the City of Moscow and the City of Saint Petersburg, Moscow, Leningrad and Tula Region as well as the RHDF Russian Housing Development Foundation that all were present again in Munich. Also the City of Krasnodar, two years ago present as exhibitor at Expo Real for the first time, returned this year to Munich. A premiere was the participation of the Ministry of Construction, Hous-

Focus on Russia: left Minister Mikhael Men, right the panel discussion about investment opportunities in Moscow.

ing and Utilities of the Russian Federation, established in 2013, and the presence of its Minister, Mikhail Men. "We came to Expo Real to show that we are open to new relationships and new business", said Mikhail Men in Munich. He and his team wanted to strengthen still existing business relationships and to establish new contacts. As an example of the international activities the Minister pointed to the co-operation with the French holding Veolia in the field of water supply and distribution. Expo Real he fittingly characterized as an event "not about pathos but about real business".

The stand of the City of Moscow attracted interest already by its size and by its prominent location. Furthermore there took place a broad range of panel discussions and presentations about the real estate market of the city. Perhaps more people would have been interested in the topic, if the events had been announced and communicated before the start of the fair. So it was more by accident that people came along and had time to listen. That was bit a pity because among other information Sergei Cheryomin, Minister of the City Government of Moscow and Head of the Department for Foreign Economic Activity and International Relations, presented the investment programme for the City of Moscow. Only in infrastructure Moscow is investing about EUR 6 billion annually. And during the coming years it could be still more, because new railways, roads and bicycle lanes are in the planning stage. Furthermore there are intentions to construct more than 100 new hotels, Sergei Cheryomin said in a panel discussion at the Moscow stand, moderated by editor-in-chief of SPH Newsletter Andreas Schiller. At the same event Konstantin Timofeev, Chairman of the Committee for Investment Project Support and Participatory Construction Oversight at Moscow City Government, added that one of the main targets is the further development of investment projects along the Moskva River. The aim is "to develop the banks of Moskva River from a road axis into a recreational area for the inhabitants of the city". And Sergei Cheryomin emphasised that "for the realisation of all these projects international partners are very welcome".

In comparison to the City of Moscow the stand of the City of Krasnodar was rather modest. However, it had its own attractiveness for Expo Real participants. The reason was a charmant blinking and multi-lingual android by whom many of the by-passing people felt appealed. The android could give a lot of information and answer to many questions, but unfortunately he was a bit humourless. In this point artificial intelligence seems to have its limits.

The City of Saint Petersburg remained in the traditional hall B2, but had a new and better location granting some attention. Unfortunately it did not really succeed to take hold of the interest. There were some events at the stand, but not announced in advance, and still on the second day of the fair there was nearly nobody at the stand an interested visitor could address to and get substantial information. That's always a bit annoying and not really to understand because a presence in Munich as exhibitor costs a lot of money and should be used by all means to bring some benefit. Admitted that it is not as easy to attract interest during a big and busy event like Expo Real, that it is unnecessary to harass all and everybody with promotion material and press releases, but a bit more of targeted PR could be helpful to attract sustainable interest.

No extra PR needed the Russian real estate company O1 Properties and the Austrian CA Immo at Expo Real. The 'marriage' of the two companies has been announced

Close together also at Expo Real: the City of Moscow and Moscow Region.

shortly before the fair started, and a press conference during Expo Real offered the opportunity to an international audience to become acquainted with the two companies. As Dr. Bruno Ettenauer, Chairman of the Management Board and CEO of CA Immo, affirmed, the new relationship with O1 Properties is some kind of 'love-match' and CA Immo is happy with their new partner because both companies have a similar strategic approach, i.e. to be one if not the leading developer of office real estate—O1 Properties in Moscow and CA Immo mainly in Germany.

Although in Europe in general and in Germany especially the current political relationship with Russia is at least a bit frosty, at Expo Real the interest in Russian real estate markets was clearly stronger than last year. That proved a panel discussion in the Investment Locations Forum where this time the focus was not on the two big cities Moscow and Saint Petersburg but on Russian regions. To a large audience Moscow Region and Leningrad Region as well as 'Invest in Russia', the promotion agency for investments in the Russian Federation in general, presented themselves. Different to the two mentioned regions located around the two biggest Russian cities the tasks and requirements for 'Invest in Russia' are more differentiated and have to meet the very different needs of every region in the Russia.

But to stay with Moscow Region: Denis Butsaev, Minister for Investments and Innovation of Moscow Region, put the focus on industrial parks and infrastructure as well. Infrastructure mainly meant public transport. Here Moscow Region is in search of new solutions, especially for inner-city transport hubs. Still a bit strange seemed the idea of heliports pushed by NDV Group and presented at the stand of Moscow Region. But with dense traffic on roads and greater distances a helicopter can be a time-saving alternative. "On the ground", however, remained co-exhibitor Morton Group—not only in general with the development of large-scale real estate projects, but as well with the signing of an agreement with the German construction holding Bilfinger. Subject of the agreement was the fitting of sewage plants in Moscow Region.

That the interest in Poland is still high demonstrated a discussion about the Polish real estate market in the Investment Locations Forum. As already in the last issue of SPH Newsletter also in Munich Marek Koziarek, Managing Director of the Department of Structured Finance and Real Estate at Bank Pekao in Warsaw, pointed out that the Polish real estate market is quite matured. Therefore it is no longer as easy to find investment opportunities promising a long-term success as in former times. On the other hand, both, Adrian Karczewicz, Transaction Director for CEE of Skanska Commerical Development Europe, and Ulrich Steinmetz, Managing Director of RREEF Investment GmbH, Deutsche Asset & Wealth Management, agreed that in some regional office markets there are still opportunities for developers and investors, while in Warsaw there is clearly an oversupply of office space, even though the stock in general is still much lower than in western European cities of the same size. The composition of the panel entailed that the focus was mainly on office markets. The scheduled fourth panellist who could have added some information about the retail property markets, cancelled his participation shortly before the event.

The investment boom taking place meanwhile not only in Poland and Czech Re-

The opening panel of Expo Real Forum attracted more than 350 people.

public, but expanding step by step also to other CEE/SEE countries is not at least driven by the low interest environment, but as well by the fact that banks are again disposed to finance these investment transactions. Therefore it was nothing to wonder about that the conference programme's opening session dealing with the question "When will interest rates rise? Opportunities and risks for the real estate sector" attracted more than 350 people so that the Expo Real Forum was really crowded.

In the beginning of the discussion there seemed to be little reason for optimism about the future development. Both, Dr. Karsten Junius, Chief Economist of Bank J. Safra Sarasin in Switzerland, and Peter Parlasca, Eurostat Task Force MIP Macroeconomic Imbalances Procedure, EU Commission, Luxembourg, pointed out that economic growth in Europe is significantly slowing down and business climate index is deteriorating despite the fact that economic growth should be stimulated by the low interests and the weakening euro. Their 'counterpart' in the discussion was Professor Lorenz Reibling, Chairman and Senior Partner of Taurus Investment Holdings, Boston, USA, referring to the much more sustainable economic growth in the US where increasing interest rates and moderate inflation rates are perceived as side effects of a sound economic development. According to him it is fact that currently more capital from Europe is in search of investments opportunities in the US and less the other way round from the US in Europe. Also Dr. Bernhard Scholz, Member of the Management Board of pbb Deutsche Pfandbriefbank in Unterschleißheim, Germany, was not as optimistic at all. According to him high liquidity in markets and low interest rates are causing misallocations.

All panellists agreed that interest rates will increase in the near future starting with in UK and the US. However, the increase will be moderate: "Until 2016 there will be still a 1 before the decimal point", Dr. Karsten Junius forecasted. So there is little reason for concern because—as Dr. Bernhard Scholz stated—property financing is always provided long-term and with fixed interest rates. Therefore the property industry as well as banks have enough time to adapt to changing interest rates.

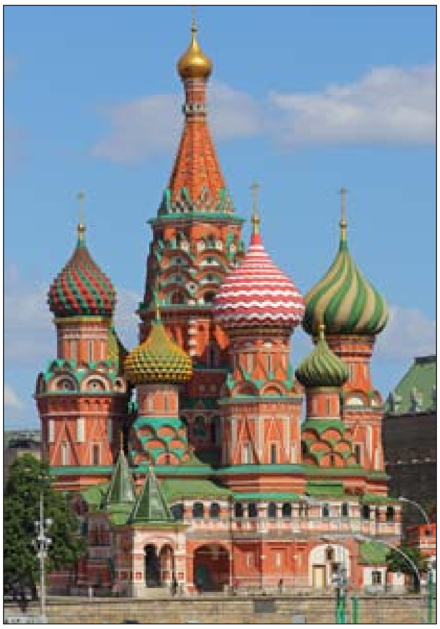
Also the second opening session with the question "Have we achieved a turnaround? How sustainable is the new situation?" attracted great interest. In a certain sense it was deepening and continuing the discussion about the future development of the real estate markets. All panellists agreed that after 2007 the turnaround has been successfully achieved. Jan Bettink, Chairman of the Management Board of Berlin Hyp, decisively affirmed it—as an indicator he mentioned the fact that banks are financing again—, but if the current situation will be sustainable "has to still to be proved". He has his doubts about the increasing readiness to assume a risk, not only by investors, but by banks as well—"in London they start to finance again transactions by 100 percent". But as long as there is high liquidity in the markets—and all indicators are showing it—the interests will remain low and real estate investments will be in demand and make sense.

That there is again a lot of careless money around is causing concern to Dr. A. Stefan Kirsten, Member of the Management Board and CFO of Deutsche Annington Immobilien SE. According to him there are only small differences to the situation in 2007, although today there is more due diligence and—"hopefully", as he said—less professional mistakes.

Dr. Eduard Zehetner, CEO of Immofinanz Group, was the representative of a company that after 2007 really achieved the turnaround. Back then the portfolio of Immofinanz had a total value of EUR 10 billion; today, after the spin-off of the residential part, the portfolio has still a value of EUR 7.5 billion. "For us the turnaround has been achieved with the merger of Immofinanz and ImmoEast", he explained. About the situation in general he identified great differences to 2007 because today banks are no longer providing each other with money and the money market has changed to the real estate markets. "That is a totally different situation." With two thirds of the company's portfolio allocated in CEE and 25 percent in Moscow Dr. Eduard Zehetner gave a clear statement with regard to the current political situation in CEE. The European Union should stop the "foolishness in Ukraine" and to give more attention to CEE, because not only in Ukriane there are problems, but in other CEE countries as well. Hungary is only one example for an unpleasant development requiring corrections by EU politicians. Who influenced by the daily news and statements by politicians expected harsh objections has been disappointed. Apparently Dr. Eduard Zehetner expressed what many feel. I **Marianne Schulze**

FINANCIAL CENTRE MOSCOW: STRUGGLE AGAINST AN ESTABLISHED IMAGE

Moscow as an international financial centre is a topic often discussed at real estate conventions, congresses, exhibitions. However, with Moscow is associated a lot, but nearly nobody has in mind a business district like Canary Wharf in London or La Defense in Paris—pictures that arise automatically n front of the inner eyes of everybody hearing the names of the two cities. But it is not only the struggle against an established image blocking Moscow's development into one of the big financial centres of the world.



Which picture is representing Moscow: Saint Basil's cathedral or Mercury City Tower?

Let's be honest: which pictures arise in front of your inner eyes when you have to describe Moscow? Kremlin and the Red Square, Saint Basil's cathedral, the Cathedral of Christ the Saviour, the department store GUM—and endless traffic congestions. These associations are strongly linked with the city on Moskva River, mainly in those who are dealing with the capital city of the Russian Federation in some way. The pictures reflect tourist highlights and an infrastructure that is hardly able to keep up with the city's traffic development.

When asked about the Russian capital city only few will associate the skyline of the new business district Moscow-City with meanwhile 12 skyscrapers. Among the ten tallest buildings in Europe seven are located in Moscow, and all these seven skyscrapers are part of Moscow International Business Center (MIBC) Moscow-City, the biggest urban development in Europe at the start of the millennium. The names of these skyscrapers? The answer to this question is mostly silence. And who is able to describe the skyline of Moscow-City? Rather nobody.

This little test shows that pictures, associations or perhaps preconceptions are changing only very slowly. That during the last 20 years there has been a construction boom in Moscow seems to be comprehensible. However, has there been some kind of communication strategy? Whether in China, USA or Western Europe, everywhere spectacular buildings are showcased prominently. The most recent example is The Shard in London. Spectacular buildings are (nearly) always architectural masterpieces, mostly spectacularly high but as well they often have spectacular vacancies. But who has already heard about Mercury City Tower or Federation (Federazija) Tower with its twin towers named Wostok and Sapad? What are they representing? And what is their function?

At this point the answer to the question what is happening in these buildings is: "something with banks". That is true in Moscow as in nearly every part of the world. Because most capital cities are also the commercial and financial centre of the respective country—a fact generally known. However, least of all are linking the concept of a financial centre with Moscow. The reason for that is—strictly spoken—nearly not to express in facts and figures. At first glance the capital city of Russia is meeting the requirements of an international financial centre. But to become an international banking and financial centre there is more to offer than office space, achievement-oriented people and high salaries.

But what exactly are the characteristics of an international financing centre? Some basic parameters are: The respective city is headquarters of the national stock exchange and the national bank, and it is the network hub of international policies. An international financial centre also has to offer extraordinary cultural life and a well-developed, extensive transport infrastructure including international airports.

And the respective city should have a distinctive skyline.

This nearly monocentric definition of an international financial centre is mainly about the 'hard facts'. Nevertheless there are still other requirements, more 'soft facts' that are complementing and more and more replacing the 'hard facts'. 'Soft' are these facts called because they are difficult to measure and furthermore hardly to change at least in the short or medium term. When cities almost everywhere are offering the same quantity and quality of 'hard facts' like office space, sufficient labour force or 'affordable' rents, then international centres and especially financial centres differ by aspects as diversity, speciality and connectivity.

Looking at the international selection of business locations or at international job postings these three requirements can always be found albeit in a more simple translation: diversity means a widespread economic structure with a business climate that is characterized e.g. by low density of regulations and low bureaucracy and/or a low grade of corruption. Speciality includes very diversified and intensive business activities in general and/or a special focus on a certain business, for example on foreign exchange trading. And connectivity is the short term for the network connecting with other financial centres and offering a high amount of communication opportunities.

This outline of an international financial centre is accompanied by other requirements that are measurable, but seem to have no direct context at the first glance. These requirements are international schools and kindergartens, leisure and sport facilities, low crime rates and last but not least a very open-minded atmosphere in general. There is to discuss if and how far all these requirements are really fulfilled in the one or other financial centre. However, it is fact that nearly no international manager will go to a country or city where everyday life for his family is not really running. Even a very high salary is no compensation for these deficits. That might be one of the reasons why Dubai and Abu Dhabi are still on their way to become an internationally important real estate and financial centre. At least there the realisation of the project is not a question of money. That might also give Moscow a hint what is still to optimise to be promoted to the first league.

Moscow definitely fulfils the qualifications of an international financial centre. Although Russian economy is still depending on commodity markets most of the international companies have established an office in Moscow and especially in Moscow-City, because MIBC is exactly the kind of business location international companies are familiar with at home. Furthermore international companies are well aware of the fact that the most spectacular office or shopping centre locations is standing or falling with the transport infrastructure offering good access. In this point a still closer cooperation of developers and the city's planning authorities could be helpful, especially because so far only 40 percent of the whole area dedicated to MIBC Moscow-City project are already developed. That offers inconceivable opportunities given the fact that Moscow-City is an inner-city district and not a business district located—like in many other cities—far away from the city centre. An example of an international business district relatively far away from the inner city is Canary Wharf in London. A counter-example is La Defense in Paris, with which MIBC Moscow-City is comparable.

Moscow-City is comparable with Canary Wharf in London and La Defense in Paris.

Looking at the real estate market fundamentals the schizo of the current situation in Moscow is becoming evident. While the development of rents, lettings and vacancies is corresponding to other capital cities, there is still to bridge a broad gap regarding modern office stock. Moscow is offering half of the office area of Frankfurt am Main, it has a quarter of Paris office stock or only 20 percent of the modern office area located in New York. Therefore it will be still a long road: There have to be more constructions cranes rotating in the sky and at least there has to be a global communication strategy to bring Moscow and its skyline on the front pages all over the world and to promote the city to the first league of global capital, real estate and financial centres. I **Dr. Thomas Beyerle**

FOR YOUR PLANNING

When	What about	Where	For information and registration
18. – 22. November 2014	17. Euro Finance Week	Congress Center Messe Frankfurt, Ludwig-Erhard-Anlage 1, Frankfurt am Main, Germany	www.eurofinanceweek.com
19. – 21. November 2014	Mapic – The International Retail Property Market	Palais des Festivals, Cannes, France	www.mapic.com
27. – 29. November 2014	ICSC Retail Strategy & Trends Forum	Meliá Milano Hotel, Milan, Italy	www.icsc.org
11. – 14. December 2014	Moscow Urban Forum	Manege, Manege Square 1, Moscow, Russia	www.mosurbanforum.com
10. – 13. March 2015	Mipim	Palais des Festivals, Cannes, France	www.mipim.com
26. March 2015	European Shopping Center Symposium	Palais Ferstel, Strauchgasse 4, Vienna, Austria	www.shoppingcentersymposium.eu
5. –7. May 2015	RealCorp 2015 Plan together – right now – overall From Vision to Reality for Vibrant Cities and Regions	Virginie Lovelinggebouw (VAC Gent), Koningin Maria Hendrikaplein 70, Gent, Belgium	www.corp.at
20.–21. May 2015	Global Real Estate & Economic Talks GREET Vienna	Palais Niederösterreich, Herrengasse 13, Vienna, Austria	www.greetvienna.com

URBAN DEVELOPMENT: THE EXAMPLE OF VIENNA

This year City of Vienna has published the new urban development plan STEP 2025 (available only in German). Works on the plan started already in 2011.

What is so interesting in Vienna's new urban development plan? To begin with Vienna is an example of a growing city. With opening up towards the former Eastern bloc countries the Austrian capital city has experienced a relatively dynamic growth in population. Today Vienna has 250,000 inhabitants more than in the nineties—all in all it is 1.75 million inhabitants. Taking Greater Vienna into account, population growth has been 400,000 people. That implicates challenges regarding housing, public transport and social structure of the city—problems that have to be solved. And since 2007 Vienna is—as nearly all of the big cities—struggling with limited financial possibilities. Furthermore today cities have to deal with measures for climate protection and have to meet certain targets.

Given this Vienna is differing only little from many other cities. The expressed goal to become a 'smart city' and the single steps to achieve this goal are perhaps a stimulating reading for urban planners. However, of a more general interest in STEP 2025 is something else: the very precise basic principles of the future concept of the city. Vienna shall be a city of high quality of life—that includes green and recreational areas, vibrant quarters with a broad range of functions, as well as a manifold cultural offer whereby culture also means building culture or high quality in architecture. The city will provide social fairness, affordable housing in socially mixed quarters to avoid social and ethnic segregation. Other principles are to offer educational opportunities for all and to be a cosmopolitan city with provisions for the needs of the different groups of immigrants. All cities commit themselves to economic prosperity, but less decisive than Vienna they are engaging in fair cooperation with the surrounding municipalities. For Vienna the cooperation includes Bratislava and Brno beyond the country's border because e.g. one of the problems to be jointly solved are the commuter flows. And last but not least Vienna shall be a city, where planning is not a bottom-down, but bottom-up process in which citizens participate.

Principles of urban planning are one thing, another thing is to keep with them. Therefore STEP 2025 is also developing management structures and institutions that are able to ensure that these principles and goals are observed and realised. The key word is 'governance' and it comprises all involved in the urban planning process as well as well as the citizens.

STEP 2025 –
Stadtentwicklungsplan Wien
(Urban Development Plan Vienna)
145 pages
Vienna 2014
Download for free: www.step.wien.at

Urban planning is more than spatial, financial and technical planning. Depending on how the planning process is organised it reveals a lot of the political and social climate in a city. Therefore it is worthwhile to think about the principles urban planning is based on.

imprint

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