

SPH newsletter

news

News from CEE/SEE	page 2
Staffing	page 11
Lettings	page 12

special

When Expo Real opens its doors on 11 October 2021, it will be the first major industry gathering since the Covid-19 pandemic hit Germany. page 14

background

The term “urban quarter” or „neighbourhood” is booming in the real estate industry. But neighbourhood development is a highly demanding and multi-faceted task. page 17

This year’s Cities of Tomorrow conference in Bucharest was all about “Green Cities”. The issues and challenges seem quite familiar to Western observers. page 20

book review



Corona has demonstrated that the city has to undergo again a transformation. page 23

DEAR READERS!



Germany in autumn 2021: Long before the Bundestag elections, Chancellor Angela Merkel had announced that she would not run again as a candidate for chancellor at the end of this legislative period. She was Chancellor of the Federal Republic of Germany from 2005 to 2021 – a period of 16 years.

In the year Angela Merkel became chancellor, Expo Real was already taking place for the eighth time and regularly until 2019. Then came the Covid-19 pandemic. This year, however, the largest trade fair for real estate and investment will be back on stage, albeit somewhat differently than before under the Corona requirements. Those who know Expo Real and Mipim know what I mean when I say: the increasing mimipimisation of Expo Real is probably over for good. Instead, the original claim of the working fair will be even more in the foreground in 2021.

In former times some used to speak of the “Oktoberfest of the property industry”. Due to the conditions, “Un ballo in maschera” is more likely to apply to Expo Real 2021. But we all have got used to the masks. The number of more than 1,100 exhibitors impressively proves that many share this opinion. Under the changed circumstances, this commitment by the industry is a huge success for Messe München.

Marianne Schulze and I are looking forward to the three days of the fair and wish Expo Real many visitors – on site and digitally.

Yours,

Andreas Schiller



With 5,000 square metres of space, Canada Square in Budapest was one of the smaller properties in CA Immo's portfolio.

CA IMMO SELLS OFFICE PROPERTY IN BUDAPEST

CA Immo has signed a sales contract for Canada Square office building in Budapest. Buyer is the Hungarian Investor Investum Kft. The purchase price remained undisclosed. Canada Square, constructed in 2004, is a 5,000-square metre office building located in the Central Buda submarket.

TREI SECURES ANOTHER FUNDING ARRANGEMENT

Trei Real Estate, an internationally active property developer and property asset holder of residential and retail real estate, secured another large debt financing arrangement. Overall, the company raised about EUR 52 million in new debt. The fresh funds are split into two tranches: EUR 39 million have a maturity of ten years, while the remaining EUR 13 million will become due after five years.

The loan was collateralised with ten previously unencumbered retail properties in Germany that Trei intends to retain in its portfolio for the long term. The lending bank is Commerzbank. The funds will be used mainly for Trei's property developments in the residential sector in Germany and Poland. Part of the funds are earmarked for the construction of retail parks of the Vendo Park brand in Poland.

It was not the first time that Trei Real Estate secured debt funding on a large scale in the recent past. In September 2020, for instance, the company borrowed EUR 42 million from Helaba. A few months later, in April 2021, it took out construction and long-term financing in the amount of EUR 38 million from the Berliner Sparkasse savings bank.

AFI EUROPE TO DEVELOP NEW PROJECT IN BUCHAREST

AFI Europe is preparing the ground for a large-scale mixed real estate project, with apartments, offices and retail, behind the AFI Cotroceni mall, by demolishing a former BCR branch, bought with EUR 7.4 million. The real estate developer intends to ask the mayor's office for a Zonal Urban Plan for the entire land area behind the mall.

WING TO LAUNCH HOP PASSAGE

Wing is launching a new office development: HOP Passage will be a part of Hungária Office Park (HOP), the complex at the former Siemens site in Hungária körút in Budapest.

The new building will offer a gross area of 32,000 square metres of office space. Preparatory work is to start in late 2021, and the new building is expected to be completed at the end of 2023.



Highlight Towers

Office Building
Munich
Germany

Helaba | 

Visit us at EXPO REAL
Stand C1.432



Cantata
Residential
Washington, D.C.
USA



BETC HQ
Office Building
Pantin
France



ONE
Mixed-used
Skyscraper
Frankfurt
Germany



Windmill Green
Office Building
Manchester
Great Britain



Glories
Portfolio
Barcelona
Spain



Main Point Pankrac
Office Building
Prague
Czech Republic

Higher returns through bespoke solutions.

In the real estate business, we are the experts for your bespoke financing solutions. Our solutions are finely tuned to your needs and encompass a comprehensive spectrum of services. As your partner in national and international markets, we give your project the drive it needs to succeed – competently, reliably and over the long-term.

Values with impact.



Record Park is the first project Speedwell is developing in Cluj-Napoca. It includes flats, office and retail space as well as a revitalised historical building.

SPEEDWELL REFINANCES ITS LOAN FOR RECORD PARK OFFICES

BRD Société Générale refinanced its initial loan to Speedwell for the development of Record Park Offices. The developer Speedwell and BRD Société Générale started their partnership back in 2018, after signing a financing agreement for the office component of the Record Park mixed-use project. The bank granted a loan of EUR 12.1 million for the development of the Record Park office.

Record Park is Speedwell's first project in Cluj-Napoca, as well as the first mixed-use development and urban regeneration project in the city. It combines a residential component with 236 apartments, 15.000 square metres of office and retail spaces, a historic building that has been refurbished and converted into co-working spaces and a restaurant, as well as a sports club.

EBRD LEAVES GLOBALWORTH SHAREHOLDING

The European Bank for Reconstruction and Development (EBRD) has agreed to sell its entire stake in Globalworth Real Estate Investments Ltd to Zakiono Enterprises Limited, a company ultimately owned by CPI Property Group S.A. and Aroundtown SA. No value for the transaction has been released.

Globalworth is the largest owner of office buildings in Romania, with a portfolio of EUR 1.4 billion. The EBRD became a shareholder in Globalworth in November 2017 to facilitate the company's further growth. As a shareholder, the EBRD supported the introduction of reporting standards in line with the Global Reporting Initiative and the expansion of the green certification of the company's portfolio.

The EBRD continues to agree with the assessment of Globalworth's committee of independent directors that the Consortium's offer significantly undervalues Globalworth, its assets and its prospects. However, having achieved the goals of this investment and acknowledging the change in the associated investment risks flagged by the committee in its announcement of 12 July 2021 (notably that the liquidity of Globalworth's shares is reducing further and that the buyers are now able to exercise statutory control over the company), the EBRD has decided to exit its engagement.

ADVENTUM ACQUIRED HERMES BUSINESS CAMPUS IN BUCHAREST

Malta-based Adventum Group, a CEE focused real estate investment manager, entered the Romanian real estate market through the acquisition of Hermes Business Campus, an office complex located in north Bucharest. Developer of the property was Atenor.

With a total surface of 75,000 square metres, Hermes Business Campus was acquired by Adventum for the Quartum real estate fund, which now has more than 200,000 square metres of leasable area in Poland, Hungary and Romania.



The Stop Shop retail parks are to be built over with flats. Top on Stop is the name of the Immofinanz concept.

IMMOFINANZ ENTERS THE RESIDENTIAL SEGMENT

ImmoFinanz is expanding its real estate offering to also include affordable and sustainable housing. With Top on Stop, single-storey Stop Shop retail parks will be overbuilt to create low-price, resource-friendly housing and to create up to 12,000 new apartments over the medium-term. ImmoFinanz's Stop Shop portfolio currently covers roughly 100 locations in 10 European countries, and plans call for an increase to 140 properties over the coming years.

The Top on Stop apartments will meet high sustainability criteria. Modular wood construction will allow for combinations ranging from mini-lofts to family apartments, apartments with home office rooms or separate units for guests or caregivers. The climate-neutral energy concept includes the use of photovoltaics, heat recovery and geothermal energy as well as the unsealing of land through greening and the installation of common areas like playgrounds, meeting zones or rooftop gardens. The first pilot project has already started and will be implemented quickly after municipal permits.

MDC² TO DELIVER NEW LOGISTICS SCHEME IN POLAND

MDC², a warehouse and industrial developer operating on the Polish market, has bought a new development site in the Upper Silesia region that will accommodate a warehouse and logistics project. Located in Gliwice on the intersection of A1 and A4 motorways, one of the main east-west and north-south junctions in Poland, MDC² Park Gliwice will add 52,000 square metres of warehouse and logistics space.

MDC² Park Gliwice will feature a three-building complex. The investment plot covers 13.4 hectares. Commencement of construction works is planned for Q3 2021, with completion expected Q2 2022. MDC² is developing the entire project on a speculative basis.

UNION INVESTMENT AND GARBE INVEST IN SLOVAKIA

Union Investment and Garbe Industrial Real Estate have jointly acquired the first logistics property for their "Ull Garbe Logistik Fonds" investment fund. Seller is the Karimpol Group. It was agreed not to disclose the financial details of the transaction.

The property is located in an industrial park in the north-west part of Senec, a city roughly 25 kilometres north-east of the Slovak capital of Bratislava. Other logistics facilities that are largely used for distribution and light industrial purposes are located in the immediate vicinity. Constructed in 2019, the logistics property provides 32,400 square metres of warehouses space plus around 2,200 square metres of office space.

pbb

DEUTSCHE
PFANDBRIEFBANK

Your plans are perfect. And your financing?

For your ambitious plans you are looking for a first-class financing partner, which can meet your high expectations. We are a leading bank for commercial real estate and public investment financing and offer bespoke and intelligent solutions. We combine in-depth knowledge whilst keeping the big picture in mind with ingenuity and working with transparent credit processes and decision making. You can count on our tailor made solutions and working with you in a pro-active partnership.

www.pfandbriefbank.com





The Warsaw Hub is located in the Wola district of Warsaw on Rondo Daszynskiego. The project was completed in 2020.

GHELAMCO SECURES REFINANCING FOR THE WARSAW HUB

Aareal Bank announced the closing of a financing agreement with international real estate investor and developer Ghelamco Group. As sole agent, arranger and lender, Aareal Bank is providing a senior loan in the amount of EUR 312.5 million to the family-owned real estate group.

The loan will be used to refinance a newly constructed development located in the western part of the business district in Poland's capital. The project comprises high-rise buildings in a multi-functional complex, known as The Warsaw Hub: there are two 130-meter office buildings, together with an 86-meter hotel tower connected by a common podium. The 118,000 square metres of floor space includes office and co-working spaces, a conference centre, the Crowne Plaza and Holiday Inn Express hotels, retail and service premises and a fitness club.

GENERALI REAL ESTATE ACQUIRES LOGISTICS PARK IN GDANSK AREA

Generali Real Estate has completed the acquisition of 7R Park Gdansk II, a logistics park located in Kowale, Gdansk area, on behalf of the pan-European Generali Real Estate Logistics Fund (GRELF) fund managed by Generali Real Estate S.p.A SGR. The seller of the asset is 7R SA. 7R Park Gdansk II was developed and completed in 2021. It is a complex comprising three buildings, offering in total about 52,000 square metres of lettable area.

GARBE ENTERS THE POLISH MARKET

Garbe Industrial Real Estate Poland has acquired a production and warehouse facility of Hubergroup located in Wroclaw. The parties have signed a preliminary purchase agreement for a new 22,000-square metre Build-to-Suit facility, on a 20-year term sale & leaseback transaction.

Hubergroup is one of the world's leading specialists for printing inks, coatings and press room chemistry. Garbe Industrial Real Estate Poland is part of Garbe Industrial Real Estate GmbH family-owned and family-managed business located in Hamburg.

LINCOLN PROPERTY COMPANY PURCHASED LAND IN WARSAW

Penta Investments has sold a building plot of 6,500 square metres in Warsaw for almost EUR 25 million (approximately CZK 635 million). The plot in the Wola district was bought by Lincoln Property Company together with the investment group Enern. They plan to build an office building with 30,000 metres of leasable area.



Centrum Południe is Skanska's largest project in Wrocław with 85,000 square metres of office and retail space.

SKANSKA: SECOND PHASE OF CENTRUM POŁUDNIE IN WROCLAW

Over 21,000 square metres of office space located on 13 floors, terraces for tenants and a basketball court – this will be the second phase of the Centrum Południe office complex currently being developed by Skanska.

Centrum Południe is a multi-stage investment that will ultimately offer 85,000 square metres of office space, as well as retail and service space. In August 2020, the first two buildings of the complex were commissioned, totalling 27,600 square metres. Now Skanska is starting work on the second phase of its largest project in Wrocław.

FORTRESS INVESTS IN ROMANIAN LOGISTICS DEVELOPMENT

Fortress has acquired Eli Park 1, an industrial development, located in the logistics hub North-West of Bucharest, Buftea – Chitila, in close proximity to the North of Bucharest and the ring road, near the connection with the future A0. It is Fortress' first logistics acquisition in Romania. The scheme comprises 50,000 square metres and was developed as a joint venture by Element Industrial and Paval Holding. The purchase price was not disclosed.

ONE UNITED RECEIVES FINANCING FOR ONE COTROCENI PARK

One United Properties announces the conclusion of a financing agreement for the One Cotroceni Park project, the office component, of up to EUR 78 million. The financing banks are BCR, BRD Group Société Générale and Erste Bank, and the maturity of the loans is 7 years.

Of the total financing, the amount of EUR 40 million will go to the One Cotroceni Park Office project and approximately EUR 28 million to One Cotroceni Park Office Phase 2, to which is added a VAT facility of EUR 9 million.

Developed on a 5.8-hectare site, the mixed-use project includes an office component with two large office buildings with approximately 75,000 square metres of leasable area, a residential one with over 850 homes and a commercial one.

AVISON YOUNG: AFFILIATION WITH GVA SAWYER IN RUSSIA

Avison Young announced an expansion of its service delivery to clients across Europe through an affiliation with GVA Sawyer in Russia. Its consulting and brokerage operations will rebrand as Avison Young.



EXPO REAL
Booth A1.312
Messe München
11 – 13 October 2021

We are real estate.



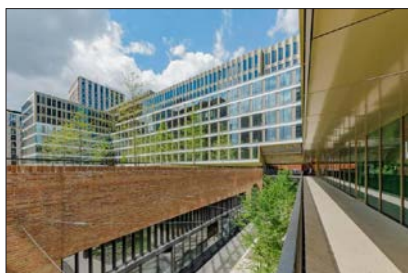
360° Real Estate – the right team for every task

The specialists at BayernLB and its subsidiaries are there for you at every turn throughout the **real estate value chain**: from development to mezzanine capital, financing and valuation, all the way to asset and facility management. Interested? bayernlb.com/real_estate_expertise

◆ BayernLB DKB ◆ Real I.S. ◆ Bayern Immo BayernFMI ◆ LB ImmoWert ◆ Bayern Grund

◆ BayernLB

Financing progress.



Deka Immobilien has acquired an office complex in the Browary Warszawskie revitalisation project. The complex with around 30,000 square metres of lettable space, is a mix of historic and new buildings.

DEKA IMMOBILIEN ACQUIRES WARSAW OFFICE PROPERTY

Deka Immobilien has acquired an office complex in Warsaw for around EUR 152 million. The seller is a subsidiary of the listed company Echo Investments S.A. The property will be added to the portfolio of the WestInvest InterSelect open-ended real estate fund. The complex on Grzybowska street comprises Malthouse Offices, a new building completed in 2020, and renovated properties The Malthouse, the Time Cellars and Villa Offices. The property has a lettable space of approximately 30,000 square metres and 180 parking spaces. The complex is part of the Warsaw Brewery project development, which comprises a total of over 100,000 square metres of office, living and retail space. The quarter, constructed on the former brewery grounds, is centrally located in the City Centre West submarket.

PALMIRA ACQUIRES LAST-MILE LOGISTICS PROPERTY IN LODZ

Palmira Capital Partners, investors and asset managers for logistics and corporate real estate, has acquired a further property from a Polish investor for the European Core Logistics Fund (ECLF). The parties have agreed not to disclose the purchase price. Completed in 2020, the last-mile logistics property at ul. Brukowa 21 in Lodz is situated on a plot of land measuring around 35,600 square metres. It comprises a leasable area of approximately 12,300 square metres, of which 11,300 square metres is warehouse space, and around 1,000 square metres is office, social and technical space.

TREI'S VENDO PARK PORTFOLIO IN POLAND GROWS TO 26 RETAIL PARKS

Trei Real Estate GmbH, an international developer and asset holder for residential and retail real estate, has opened its 26th retail park under the Vendo Park brand in Poland. It is located in Oswiecim, a small town of around 40,000 residents in the Lesser Poland Voivodeship in southern Poland. This latest Vendo Park has a leasing area of around 5,300 square metres. In total, Trei invested EUR 7,2 million in the property.

SKANSKA STARTS CONSTRUCTION OF STUDIO IN WARSAW

Construction of Studio, the newest office complex of Skanska, has started. Located on Prosta Street and in walking distance to Rondo Daszynskiego metro station and the Rondo ONZ station, Studio is a complex of two office buildings, offering a total of approximately 43,000 square metres of gross leasing area. The first phase of the project covers 17,600 square metres of gross leasing area, including fourteen above-ground and three underground levels. The construction is scheduled to be completed in the third quarter of 2023.

STAFFING



left: Tom Devonshire-Griffin
right: Marta Hejak



left: Herman Kok
right: Tomasz Mika



Gergely Somogyi

Tom Devonshire-Griffin will become JLL's Head of Capital Markets in Central & Eastern Europe, which includes teams based in Poland, the Czech Republic, Hungary, Romania, and Slovakia. Tom Devonshire-Griffin brings over 20 years of capital markets experience as well as a strong background in debt and equity from his time as Country Head of CIS / Russia, and most recently as Head of Capital Markets in India. He was also based in Prague between 2004 and 2008. Tom Devonshire-Griffin will take over from Mike Atwell, who – after four years of heading up the CEE capital markets team – will return to London to take up a senior position in the EMEA Industrial & Logistics investment team.

Marta Hejak has been appointed to the position of Financial Director at the Robyg Group. Marta Hejak gained her professional experience, among others, in the audit and economic consulting department of Ernst & Young, where she conducted audits of financial statements of the largest Polish companies, as well as she has dealt with public issues and business consulting. She is a graduate of Finance and Accounting at the Warsaw School of Economics, and is also a certified auditor. Marta Hejak has been associated with the residential developer Robyg since 2015, she worked as Deputy Finance Director, and previously she was the head of the group's reporting and consolidation department.

Herman Kok is new Head of Research & Analytics at Ellandi. Prior to joining Ellandi, Herman Kok worked as Head of Research at MARK Capital Management, known as Meyer Bergman until November 2020. Before was 16 years at Multi Corporation, where he worked in a variety of functions, including research for its investment activities and international expansion. Herman Kok is member of several UK and international property research communities including Society of Property Researchers, ULI Urban Land Institute and RICS Royal Institution of Chartered Surveyors. After graduating from State University in Groningen with a Master's in Human Geography with Economic Geography, Herman Kok secured a PhD in Human Geography at Utrecht University in 1999. He is a regular guest lecturer at universities.

Tomasz Mika has been appointed Chief Financial Officer (CFO) of 7R. He heads the company's financial division and is responsible for finance, accounting and controlling. He will also support 7R's business development in Poland and foreign markets. Tomasz Mika has many years of professional experience in managing and optimizing key financial processes and operational activities, which he gained while working in Poland, Germany, and Russia. He has worked for such brands as Cersanit, Hollywood, IKEA, Pfleiderer, PwC and KPMG, where he gained experience in financial forecasting, budgeting, preparation of financial analyses, cash flow and risk management.

Gergely Somogyi has been appointed Commercial Director for VGP Hungary. Gergely Somogyi, who started with VGP on 1 July, has a wide experience in industrial and logistics real estate of more than 7 years as Associate for Cushman & Wakefield in Budapest. He has a master degree as Economist in Marketing at the Corvinus University of Budapest.

LETTINGS



NEW CITY, WARSAW

POLAND 

Hines has signed a lease agreement for office space with Centrum Rozliczen Elektrycznych Polskie ePłatności S.A. in the New City building in Mokotów. The new tenant will occupy over 280 square metres. The contract was signed for five years. Agreements with a media and technology company and a supplier of heat transfer, fluid separation and transportation products were also extended for a period of five years. The first company covers an area of over 3,200 square metres on the ninth and tenth floor and 175 square metres on the ground floor, and the second – almost 760 square metres on the seventh floor. New City is consisting of two buildings with a total area of over 44,000 square metres.

OXYGEN PARK, WARSAW

POLAND 

Parker Hannifin, a company in propulsion and control technology, has joined the group of tenants of Oxygen Park by leasing 712 square metres of office space, belonging to the Golden Star Group. The contract has been signed for 5 years. Oxygen Park is an office complex located directly on Aleje Jerozolimskie in Warsaw. The project consists of two six-storey buildings with a total leasable area of over 18,000 square metres.

VARSO TOWER, WARSAW

POLAND 

HB Reavis has agreed to a 10-year leasing deal with Greenberg Traurig for a 5,000-square metre workspace in Varso Tower. Scheduled to be completed in spring 2022, Varso Tower is a mixed-use development by HB Reavis consisting of offices, a hotel, an innovation hub and retail. It is situated in the centre of Warsaw in close proximity to Warsaw Central Station.

WOLA RETRO, WARSAW

POLAND 

Signal Iduna Polska will move into Wola Retro in Warsaw. The office building is owned by Develia S.A. The tenant will take 1,170 square metres. Located on Skierniewicka 16/20, Wola Retro consists of three buildings – a three-storey historic building from the 1930 and two modern new buildings with 9 and 13 storeys, respectively. Wola Retro is offering 24,500 square metres of space.

WEST GATE BUSINESS DISTRICT, BUCHAREST

ROMANIA 

PPD, a global contract research organization providing comprehensive, integrated medicine development, laboratory and lifecycle management services, has extended the lease contract for its headquarters in West Gate Business District business park, owned by Genesis Property, for another 5 years, for the third consecutive time. The offices in the West Gate Business District cover 75,000 square metres of leasable area. The complex includes five buildings, each with 15,000 square metres of usable space.

From rock ...

Link your ideas to our investment spectrum

As one of Europe's leading real estate investment managers, Union Investment combines a strong growth trajectory with the goal of even broader diversification in currently 23 national markets. That means boosting our exposure across the office, retail, hotel, logistics and residential segments. Link your ideas to our growing range of investment styles: from stable income "rocks" to value-add investments. We look forward to working on exciting new opportunities with you.

www.union-investment.de/realestate



Stand B2.142

... to rock'n'roll

THE INDUSTRY MEETS AGAIN



Will this be the welcome ritual at Expo Real? At least the kiss-kiss variant doesn't tend to work with a mask.

When Expo Real opens its doors on 11 October 2021, it will be the first major industry gathering since the Covid-19 pandemic hit Germany. There is a great demand for personal meetings, for exchange and information, and Messe München is meeting these needs in a variety of ways.

"An exchange of information can always take place virtually, but a personal one – the basis for relationship banking as we live it with our customers – can only take place face to face. That is why these meetings are important for this partner base, but also for the mood of finally being able to stand together and talk again," Christian Schmid, Member of Helaba's Board of Managing Directors, sums up why he and his company are among the now more than 1,100

exhibitors at Expo Real. And he goes on to explain: "At Expo Real, this exchange is always very fruitful and intensive. It's all about picking up on moods and reactions in order to then, of course, initiate the year-end business."

Personal contacts are probably what we all missed most in times of pandemic. The digital possibilities make it easier to keep in touch and talk to each other, but new business relationships are difficult to establish digitally – you want to look your counterpart in the eye and – consciously or unconsciously – also perceive the body language. Or as Dr Rolf Strittmatter, Managing Director of Hamburg Invest, puts it: "Digital information events have become established and will continue to take place in the future. But real business requires trust, and that only comes from personal encounters. That's why our ex-

hibitors and also we want to be present on site again."

But Covid-19 has also taught us caution, and the potential fourth wave is not conducive to getting too cocky, even if you are fully vaccinated and thus have some protection for yourself and others. Both Messe München and the exhibitors are aware of this. Access is only granted to those who have been completely vaccinated, have recovered or have been tested – whereby the test must not be older than 24 hours –, there are routes, clear rules on distances and in the halls mouth-nose protection must be worn.

The stands also had to be designed accordingly – with wider entrances and a one-way system for entrances and exits. Some exhibitors also do not want "walk-in customers", but only those who have

an appointment come to the stand. It is therefore advisable to arrange fixed appointments in advance. Especially on the larger stands, there are closed-off rooms where you can withdraw to talk about more confidential matters. Because conversations with a mask and at a distance of one and a half metres are certainly not easy, even if – as Christoph Salzer, Senior VP M&A and Managing Director Germany, France, Romania of Warimpex AG puts it: “We’ve all got used to the masks, so it will also work everywhere with ‘muzzles’.” And he continues: “We will of course abide by the organiser’s rules. And if somebody asks for it, we also abide by stricter rules.” He does not see an increased risk: “All our participants are fully vaccinated. Therefore, we don’t see any more danger for us personally than when we flew two years ago during flu season.”

Those who have already participated in one or the other live event usually report how pleasant it was to be able to exchange ideas in person again. And there is more than enough need for discussion in the real estate industry. Fabian Manegold, Managing Director – Transactions at Invesco Real Estate, points this out: “Home office, digitalisation push, ‘lower for longer’, ‘beds and sheds’, ESG and GEG, KfW funding for commercial and residential real estate, grey energy, retail revival, last-mile logistics, e-mobility, energy-plus house, urban gar-



Wider corridors and pathways should help to avoid crowding.

dening, vertical farming – we at Invesco Real Estate look forward to an Expo Real, especially as ‘Munichers’. There are many, many new topics worth discussing.”

These topics will not only be discussed in individual talks, but have also found

their way into the trade fair’s conference programme. The opening topic in the Expo Real Forum (Hall C1.340) will be an assessment of the economic situation: “People, markets, mutants: What the pandemic has changed” (Monday, 11 October 2021, 10:00 to 11:30). The introductory keynote will be given by Gertrud R. Traud, Chief Economist and Head of Research & Advisory at Helaba Landesbank Hessen-Thüringen.

Also part of the opening events is the subsequent panel discussion on “Crisis-proof cities: Resilience as criterion” (Monday, 11 October 2021, 12:00 to 13:00). Both, Covid-19 and the consequences of climate change, will have an impact on the economy as well as on cities and urban life.

What is still discussed in a rather general way in the Expo Real Forum, will be considered in more detail in the Real Estate Innovation Forum (Hall A2.450)



There is a clear hygiene concept for a safe visit to the fair.

on the sessions about “The future of housing, living and working”. It begins with the question “Will the pandemic have a long-term impact?” (Monday, 11 October 2021, 10:00 to 11:30), followed by a look at “Future of Work - Future of Office” (Monday, 11 October 2021, 12:00 to 13:00).

For the topic of housing, you have to switch back to the Expo Real Forum: “The residential renaissance: growth, evolution, values – and contradictions” (Monday, 11 October 2021, 13:30 to 14:30), but here it’s more about the asset class, just as with the look at the office market: “Office: What remains? What’s new? Is anything actually going to change?” (Tuesday, 12 October 2021, 12:00 to 13:00).

While we are on the subject of asset classes, we would also like to mention the Hospitality Industry Dialogue, where the focus will be on the hotel industry, which has been hard hit in times of the pandemic (Planning & Partnerships Forum, Hall A1.440, Monday, 11 October 2021, 10:00 to 15:30 and Real Estate Innovation Forum, Hall A2.450, Tuesday, 12 October 2021, 16:00 to 17:00). Also on the agenda in the Planning & Partnerships Forum are Logistics (Tuesday, 12 October 2021, 10:00 to 11:00 and 13:30 to 14:30) and Healthcare and Nursing Real Estate (Monday, 11 October 2021, 16:00 to 17:00 and Tuesday, 12 October 2021, 15:00 to 16:00).

Topics that not only worry Expo Real participants, but affect the industry in a special way, are sustainability and climate protection. Two discussion rounds in the Expo Real Forum are dedicated to this complex of topics: “Climate change and Corona: Can the industry change the way it thinks and acts?” (Monday, 11 October 2021, 16:30 to 17:30) and “Positive climate? Dream on! What can the real estate industry and investors do?” (Tuesday, 12 October 2021, 10:00 to 11:00). In his keynote speech, Matthias Garschagen, Profes-

or of Anthropogeography with a focus on human-environment relations at Ludwig-Maximilians-Universität Munich and lead author on the UN Intergovernmental Panel on Climate Change (IPCC) Assess-



Whether the future development of office space, climate and environmental protection or resource-saving construction materials – Expo Real offers a great variety of topics.

ment Report, will highlight how climate and urbanization are related.

From an overall societal perspective, the increasingly widening gap between rich and poor is also a challenge that society must learn to deal with and that also affects the real estate industry. “Prosperity versus poverty: The social component” (Tuesday, 12 October 2021, 13:30 to

14:30) is the name of the topic, which Professor Arnim Nassehi, Chair of General Sociology and Theory of Society at Ludwig Maximilian University in Munich will introduce in a keynote address.

And once again, the Real Estate Innovation Forum offers panel discussion on the topic of climate protection and sustainability, in which the more practical implementation possibilities are considered. Under the keyword “Cradle2Cradle” it is about resource-saving construction (Tuesday, 12 October 2021, 13:00 to 14:00).

Another issue is, how to adapt the housing stock more quickly in a climate-friendly way: “Turning old into smart for a good climate” (Tuesday, 12 October 2021, 11:30 to 12:30). But the Expo Real Forum also continues the theme with “Building with wood: Traditional material for innovative buildings” (Wednesday, 13 October 2021, 13:00 to 14:00).

The EU requires the fulfilment of the investment criteria Environment, Social and Governance, ESG for short. This also forces the real estate industry to think specifically about these three requirements, because “ESG” is “more than just three letters” (Expo Real Forum, Hall C1.340, Tuesday, 12 October 2021, 16:30 to 17:30). Before that, the focus will be on yet another regularity that will gain weight in times of land scarcity: “Golden ground: Leasing land as an alternative to acquiring land” (Expo Real Forum, Hall C1.340, Tuesday, 12 October 2021, 15:00 to 16:00).

The variety of subjects treated at Expo Real is great and shows which questions are moving the industry, where there is a need for information. The respective discussions will come up not only in the forums but also in many conversations among the trade fair participants. Not only the real estate industry, but all of us have not faced so many challenges for a long time. Trade fairs are also good for this, namely to concretise these challenges and look for solutions. | **Marianne Schulze**

URBAN QUARTERS EVERYWHERE



A listed factory building and a 120-year-old park create the identity of the Parc Landewyck Quartier in Luxembourg.

The term “urban quarter” or „neighbourhood” is booming in the real estate industry, and a correspondingly large number of so-called neighbourhood developments are taking place. Does the term only serve marketing purposes or is there more to it?

From year to year and in a large number of cities, there is more and more talk of urban quarters. Generali Real Estate bought two residential buildings in the new Hafenpark Quartier in the Eastern Harbour area in Frankfurt am Main, in Mainz project developers are involved in the new Zollhafen Quartier, and in Hamburg the Jenfelder Au Quartier is being built in the south of Wandsbek. But these are only three examples of the currently inflationary use of the term urban quarter (‘Quartier’ in German) especially in Germany. For 2020 alone, a survey

by Catella Research recorded 116 new project developments of urban quarters in this country. Such mass use of a term causes suspicion. What exactly does urban quarter mean?

Quite literally, urban quarter originally meant the quarter of a city. This is because the Roman cities, which were laid out according to plan, were divided into four quarters by the main streets intersecting in the centre. This strict division did not last for centuries and, above all, the cities grew, but even today in Paris the quarter is the smallest administrative unit within an arrondissement. Sometimes the designation is even found in the name. The best-known example is probably the traditional student urban quarter Quartier Latin.

The current use of the term has moved far away from these quite clear definitions. The closest proximity still exists – not only

linguistically – to the term urban quarter “But not every large real estate complex with more than two uses is really an urban quarter or forms a neighbourhood,” says Jürgen Primm, explaining: “Ideally, an urban quarter has a wide range of housing types, workplaces, leisure facilities and public amenities.” Jürgen Primm is Managing Director of Landimmo Real Estate GmbH in Luxembourg, which belongs to the family-owned Landewyck Group and is developing the Parc Landewyck Quartier near the railway station. The family’s inner-city factory site is no longer needed. Half of the planned 125,000 square metres of gross floor space is intended for residential use.

Jürgen Primm also knows from his previous experience as project developer of Luxembourg’s largest conversion project Belval: “New neighbourhoods first need an identity, either planned on a blank



The centrepiece of Seestadt mg+ is a 20,000 square metre artificial lake.

sheet or using existing buildings or facilities.” At Parc Landewyck, the identity includes the conversion of a listed office building in Bauhaus style and the preservation of a likewise listed 120-year-old park.

As the example of Parc Landewyck Quarter shows, it is often the revitalisation of former industrial sites on which major neighbourhood developments take place. Such conversions can be found in abundance in the Ruhr region. Above all, there is still a great need for the conversion of such structures in the Silesian mining areas in Poland and in some regions of Romania.

Among the cities in the German Ruhr region is Bochum. The InWIS Institut für Wohnungswesen, Immobilienwirtschaft, Stadt und Regionalentwicklung (Institute for Housing, Real Estate, Urban and Regional Development) is based there. The third neighbourhood congress took place here on 1 September 2021, this year under the motto “Dying city centres or living neighbourhoods?” Taking into consideration the name of the institute, this series of events is mainly concerned with housing as a type of use. But in contrast to the previous congresses, this time the focus of the hybrid conference was on the relationship between city centres and neighbourhoods.

“The farewell to the city centre, which has been characterised by retail for centuries, is omnipresent. At the same time, we have been experiencing a clear focus on the neighbourhood – the local area – for some years now. Mixed-use neighbourhoods, whether in new or existing structures, appear as a ‘resilient’ variant or alternative and as a future model for urban development,” says Torsten Bölting, Managing Director of InWIS Forschung und Beratung GmbH (InWIS Research and Consulting) and Professor of Social Sciences, in particular Sociology of Housing and Space at the EBZ Business School of the European Education Centre for the Housing and Real Estate Industry, to which InWIS belongs.

Various sessions dealt with the aspects of living and working in the neighbourhood, green-blue infrastructure (green spaces and water areas) as a future option for neighbourhoods and cities, with energy efficiency and mixed use not only in new construction projects, but especially in existing neighbourhood structures, as well as controlling tools for neighbourhood development. This diverse spectrum and the associated exchange showed how many facets are connected with the topic of neighbourhood and neighbourhood development. Above all, it became clear that despite all possible trivialisation by

the inflationary use of the word – with the terms sustainability and innovation there is no difference – neighbourhood development is a highly demanding task.

Klaus Franken, Managing Partner of Düsseldorf-based Catella Project Management GmbH, was also faced with such a challenge a few years ago when he and his team started working on the Seestadt mg+ project in the nearby city of Mönchengladbach. Seestadt mg+ is being built on the 14-hectare former freight station site. Klaus Franken explains: “The centrepiece of the neighbourhood development and eponym is a newly created lake of around 20,000 square metres, which serves as an attraction and contributes to climate improvement.” Around the lake, approximately 2,000 flats, office space as well as gastronomy and service facilities are to be built.

On the subject of housing, the Catella manager emphasises that a wide range of offers is important: “We are planning a variety of housing types for all age and income groups. This includes townhouses, rental and owner-occupied flats in different sizes, a share of subsidised flats, student flats and assisted living with day care.”

Jürgen Primm highlights the advantages of such diversity and the special opportunities in neighbourhoods: “Extensive control over the housing stock enables various forms. For example, co-living projects with higher space productivity can compensate for lower rents for family-friendly flats. Targeted occupancies can selectively support stable social structure. With the exclusive development of condominiums, you give this instrument out of your hands, since a large part of these flats is acquired as investment property and then rented out individually to maximise yield.”

Since leasing is an ongoing task, Jürgen Primm considers “active neighbourhood management” desirable and draws a parallel to shopping centres: “One of the strengths of shopping centres used to be the actively managed tenant mix,

also to strengthen synergies between the individual providers. This can be transferred to the neighbourhood if the spaces remain under a strong unified management, preferably in a single ownership structure."

Such neighbourhood management not only avoids cannibalisation effects between individual building projects, but generally contributes to keeping the neighbourhood attractive. An all too familiar situation serves as an example: "The design of the ground floors as a transition and interface to the public space is becoming increasingly important, as this is where the first symptoms of degradation can show. More thought must again be given to flats or offices on the ground floor, and longer interim uses with lower rents should also be included for retail or gastronomy." On the other hand,

neighbourhood developments would also offer an advantage for this. "Temporary vacancies and interim uses have their price, but the loss of rent can be passed on to the entire neighbourhood."

But this is only possible if there is one single owner, as is the case with Parc Landewyck Quartier with the Luxembourg entrepreneurial family of the same name. If not, there would at least have to be a consistent and coherent management. Klaus Franken of Catella Project Management agrees: "The word 'management' is in our company name. Even if parts such as condominiums pass into other hands, we will keep the neighbourhood management." As for the reasoning, he put it into clear words: "Unfortunately, the wrong people determine what is built. The project developers are out after completion. But the long-term oriented ones are the cities, us-

ers and investors, who can enjoy advantages or have to pay for disadvantages during the decades of operation."

Regarding the approach of defining the neighbourhood from later operation and from this perspective "getting into the production" in the project development, Klaus Franken adds: "This reverse approach is very popular with the cities, because the interests of users, investors and cities are largely congruent." The common interest for all three groups can be summed up as increase in value, or at least value stability. In this way, by neighbourhood or urban quarter developments, the real estate industry – marketing or not – would not only meet the interests of investors but also of the often cash-strapped public sector and fulfil its social responsibility with a variety of offers. After all, there is also an S in ESG. | **Andreas Schiller**

DEUTSCHE HYPO
NORD/LB Real Estate Finance

NORD LB

Besuchen Sie uns:
Stand B1.344
11.-13. Oktober 2021

**expo
real**



Weiterhin an Ihrer Seite.

Von der ersten Skizze bis zum fertigen Projekt begleiten wir Sie als Spezialistin in der gewerblichen Immobilienfinanzierung mit passgenauen Finanzierungskonzepten.

www.deutsche-hypo.de

CITIES OF TOMORROW ARE GREEN CITIES



The Romanian city of Buzau creates a lot of greenery and water to counteract the rise in temperature.

The 9th Cities of Tomorrow conference was all about environmental protection, sustainability and climate change. EU requirements are high, there is a lot of financial support, but implementation is not always easy.

Buzau in Romania? Rather one of the less-known cities, or as the representative of the city put it: a very average city with around 115,000 inhabitants. However, due to its location, about 110 kilometres northeast of Bucharest, it is the city in Romania that is most affected by the rise in temperature due to climate change. Therefore, the city has set itself the goal of increasing green areas from 310 to 540 hectares and water areas from 27.1 to 42 hectares, and also to use conversion areas to create additional parks. The programme is complemented by a "Circular School", where children are taught about the cycles of nature, en-

vironmental protection and sustainability. This project won the first prize in the Public Authorities category of this year's project competition at Cities of Tomorrow.

The AHK Romania – Romanian-German Chamber of Commerce and Industry –, organiser of the annual Cities of Tomorrow conference, has set up this project competition in the categories of Public Authorities, Business and Civil Society for several years. BCR Banca Comerciala Romana won in the Business category with its Smart Transport Solution, the contactless payment of tickets in public transport via credit card and mobile phone, and EFdeN, a NGO that develops sustainable buildings with students and young professionals, won in the Civil Society category.

This already outlines the topics the Cities of Tomorrow conference in mid-September 2021 under the motto "Green Cit-

ies" focused on and that were the subject of workshops and panel discussions. The topic of the environment and climate protection has become urgent also in Romania, although the country is even less prepared than Western countries for a transformation according to the specifications of the EU's Green Deal, as Ionut Georgescu, CEO of FEPR, a company specialized in the recycling and utilisation of packaging waste, stated.

One of the most pressing problems that needs to be solved is the issue of waste management. Although the corresponding workshop was titled "Circular Economy", ultimately it was primarily about waste management and the fact that in Romania a lot of resources are consumed and simply thrown away without asking how these resources can be reused. For example, only 20 per cent of packaging material is recycled instead of the prescribed 60 per cent, although the rising

prices for paper and cardboard should make the collection of waste paper financially more interesting.

Many municipalities are overwhelmed, to say the least, with the waste their residents produce. There is a lack of appropriate infrastructure and even if Romania receives EU funding for the change to a circular economy, the development of appropriate facilities is initially an expensive task. On the other hand – and Ionut Georgescu pointed this out in the workshop – there are also opportunities to market corresponding products. An example is to produce biogas from bio-waste and to use it for district heating. To stay with degradable waste: As mentioned here as well as in other contexts during the conference, composting does not seem to be common in Romania. People have yet to realise that composting can contribute to soil improvement.

This already addresses the next difficulty: educating the population. In Germany, for example, we have been practised for decades with the separation of waste into paper and cardboard, glass, “yellow sacks” with plastic, metal and composites, organic waste and residual waste, as well as with separate disposal of electronic waste, batteries and the like. But those who remember the beginnings also know how much resistance there was against it and how long it took until we all had internalised it.



The Cities of Tomorrow conference took place in reality and virtually.



Rubbish is by no means just waste, but a valuable resource.

Two areas are causing particular headaches: Textile waste and construction waste. When it comes to textile waste, we have similar problems in Germany, because we also produce almost 392,000 tonnes of textile waste every year and thus rank 7th among the 15 biggest textile wasters in Europe. This is primarily due to consumer behaviour, which is heavily promoted by the clothing industry.

Construction waste, on the other hand, is increasing in Romania because many existing buildings were or are in need of renovation and now there is also the need for energy-efficient refurbishments. How to deal with this waste is a question that not only Romania is confronted with.

One result of the discussion was that many suggestions on how to sensibly avoid and reuse waste come from private companies. Therefore, Ionut Georgescu also stressed the importance of companies, NGOs and cities working together to promote a circular economy.

Another form of circular economy is the conversion of former industrial sites. Not only Buzau uses these areas for more

greenery and water in the city, there are similar plans in Sector 6 in Bucharest, where a former industrial area adjacent to a large lake is to be turned into a park.

Sector 2, on the other hand, has not only one large lake, but many smaller ones, which the mayor there has first of all had cleared of rubbish. In Sector 2 located is also a former glass factory that has been vacant since the end of communism. Meanwhile nature has reclaimed the associated area which has been off-limits. This natural space is now to be made accessible again.

Cities like Bucharest are highly dense and the question is how to bring “more green” into the city. Eugen Panescu, Co-founder of the architecture firm planwerk Cluj and Executive Board Member at the Architects Council of Europe, does not see “density and quality as opponents”, but rather sees land consumption as the greater enemy of the environment than densification. And he attaches great importance to quality: “Quality, not money, should be the driver for projects. However, quality cannot be decreed from above, but rather arises from per-

manent communication with all those involved and affected. Here he meets with the mayor of Sector 2, who first asked the citizens what they thought of four areas that were due for revitalisation before ideas were developed in the town hall.

Andreas Kipar, Co-Founder and CEO of the landscape architecture firm LAND,

the corresponding workshop, but also repeatedly in the concluding panel discussion.

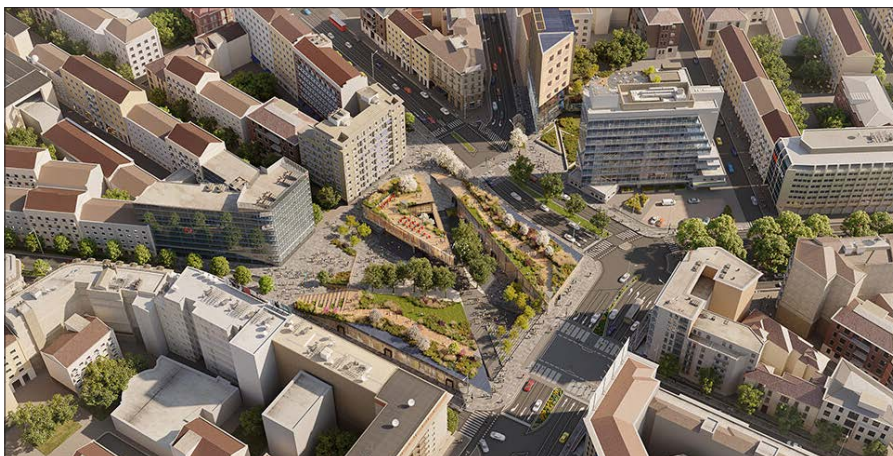
Anyone who has been in Bucharest knows about the density of traffic there and can also well imagine that car owners are urging to create parking facilities. On the other hand, alternatives such as suburban

you do for car traffic, the more traffic increases. The most common reason for getting into a car is the way to and from work. To achieve a change you have to make driving more inconvenient and, above all, parking more difficult and expensive. One way to do this is to establish cycle lanes temporary at first and then gradually make them permanent. But it is also important to create connections between different means of transport – for example, trams that you are allowed to take your bike on, bicycle parking spaces or the set-up of rental and charging stations for e-bikes at railway stations. And – as the Romanian city of Oradea is currently trying to do – prioritise public transport and cyclists over car traffic.

Basic precondition, however, is an appropriate public transport infrastructure. This is not only about connections, but also about simplifying use, such as the contactless payment options developed by BCR for all means of public transport, regardless of the operator, a corresponding service and, last but not least, an appealing ambience at the stations and stops.

The time is right for changes in people's mobility behaviour. The pandemic, of all things, has contributed to the fact that more cyclists are currently on the road everywhere and are discovering that you can often get around faster than by car. Nevertheless, the issue remains that car owners in the city often clamour for parking spaces above all else and are often willing to sacrifice the last bit of greenery for that.

On this point, Eugen Panescu was clear: "There is no right to parking spaces. Such demands come about mainly when quality indicators are not discussed." However, he also knows how difficult it is to communicate that a city is ultimately a community and that everyone must also take responsibility for their city and their surroundings. However, this is an issue that does not only apply to Romania, but everywhere in Europe. | **Marianne Schulze**



Piazzale Loreto in Milan: different levels help to increase public space.

used the example of Piazzale Loreto in Milan to demonstrate that there are possibilities for creating more public green and open spaces despite high density. The square, which is built up all around, cannot be enlarged, but by designing it over several levels, it is possible to expand the public area and at the same time create different qualities of stay.

Mobility is a issue that is not only hotly discussed in Romania, but also in Germany, for example. After all, around a quarter of CO₂ emissions in Europe are generated in the transport sector. Therefore, mobility was not only a topic in

trains and rail connections in general are at least in need of improvement. Ultimately, the question everywhere – in Romania as in Germany – is how to get people to change their mobility behaviour.

It was Ronaldo Valentim, responsible for Smart City Business Development at the Stuttgart-based start-up Bable, a Smart City platform for municipalities but also companies to implement projects for a better life in the city, who demonstrated with different examples how to promote a mobility change. Currently, roads account for about 50 percent of all public space. And experience shows: The more

THE CITY IS DEAD - LONG LIVE THE CITY!

How often have we heard the lament about the dying city centre in the recent past? No, it hasn't died, it's just that in times of pandemic, we have had to realise much more clearly than before that the city in its previous form is no longer really suitable and – as always in its history – is again subject to change. But in which direction is the change leading, in which direction is the city developing?

This question was investigated by the IREBS Real Estate Academy on behalf of the Urban Land Institute ULI. The study, which will be published at the end of October 2021 under the title *European Cities after Corona – Strategies for Resilient Cities and Real Estate*, is composed of three parts: ten expert contributions by researchers from the fields of work organisation, architecture, economics, urban planning and transport sciences; a survey with 421 participants from the real estate industry, the results of which are presented in five contributions by the editors, Professor Dr. Tobias Just, Scientific Director of the IREBS Real Estate Academy, and Franziska Plöb, Research Associate at IREBS; and seven in-depth interviews with practitioners in the real estate industry.

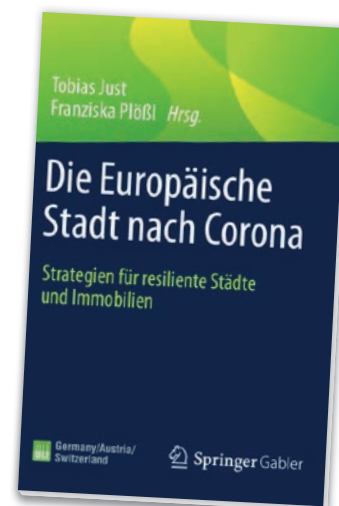
With the pandemic, developments that had already been emerging for some time have accelerated. For example, the internet has taken over typical urban functions such as consumption, and increased

opportunities to work from home offices are creating different demands on office space, but also on housing. At the same time, the density advantages of the city – previously the reason for accepting density disadvantages – have declined in the pandemic.

Add to this the issue of climate change and the need to reduce inner-city traffic, so it quickly becomes clear that existing urban structures need to be broken up into a network of more or less self-sustaining neighbourhoods. In addition, more public spaces are needed to facilitate encounters, social interaction and experiences. Accordingly, the greatest challenges arise in the redesign of public spaces, but also in the conversion of existing properties.

The necessary change affects all asset classes, albeit very differently. While the residential market segment as well as health care properties and the logistics sector have emerged strengthened from the pandemic, risks were revealed for hotels and numerous retail properties that had previously been largely disregarded.

But office properties are not spared from the pandemic's effects either. Apart from quantitative adjustments in demand, qualitative changes will also prevail here, making the office more of an interaction space.



Tobias Just, Franziska Plöb
(Editors)

*Die Europäische Stadt nach Corona –
Strategien für resiliente Städte und
Immobilien*

Springer Gabler Verlag, 2021

300 pages

ISBN 978-3-658-35430-5

Price: 35,00 Euro

Available in German only

As informative as the survey results are, it is the embedding of these results in larger contexts and the scientific foundation of the expert contributions that allow for a more well-founded discussion of the demands that the transformation of cities will bring, also and especially for the real estate industry.

imprint

Editors: Andreas Schiller (V.i.S.d.P.), Marianne Schulze

Layout: Silvia Hög, www.diehogl.at

Frequency of publication: eight times a year

Publishing House: Schiller Publishing House
Unternehmergesellschaft (haftungsbeschränkt)
Lohplatz 13, D-51465 Bergisch Gladbach

Managing Director: Andreas Schiller

Registered: Amtsgericht Köln, HR: B 68026

UID: DE270670378

T: +49 22 02 989 10 80, **E:** office@schillerpublishing.de

Articles by authors represent the opinion of the author, and not necessarily the one of the editing office.

For the purpose of information SPH Newsletter may be printed, digitally distributed and placed on the own homepage without any payment or permission. If articles or quotes are placed in either a press review or on the own homepage, it is obligatory to mention SPH Newsletter as source.

The publishing house expressly receives the right to withdraw this general permission in individual cases.

Any reprint or other commercial use made out of SPH Newsletter outside that permitted within the narrow limits of the copyright is subject to permission from Schiller Publishing House.

Any reprint or other commercial use assumes the written permission of the publishing house.

Photography: Thomas Plettenberg – Messe München (p. 1), Franck Boston – Fotolia.de (p. 12), theevening – Adobe Stock (p. 14), victoria.p. – Adobe Stock (p. 15 above), Messe München (p. 15 below), Manuel Schönfeld – Adobe Stock (p. 16 above), m.mphoto – Adobe Stock (p. 16 in the middle), UBM Timber Pioneer (p. 16 below), Landimmo Real Estate (p. 17), Catella Projekt Management (p. 18), Buzau City (p. 20), vladimir1804 – Adobe Stock (p. 21 above), AHK Rumänien (p.21 below), Nhood (p. 22)