

PROPERTY

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magazine

ALL EYES ON London

BREXIT FALLOUT
GOES ALL THE WAY
TO CEE

**COMPETITION AMONG CEE
COUNTRIES IS FIERCER THAN EVER**

Airports make cities fly higher

**A SURGE IN THE REGION'S
HOUSING MARKETS**

2016

The real turning
point for the
Budapest office
market



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INVESTORS LOVE CEE - FROM ALL OVER THE WORLD

CEE investment markets have continued to grow in the first half of 2016 with transaction volumes increasing across all segments. The first six months of the year saw new sources of international capital entering the region with the largest share of investments coming from the United States, Germany and South Africa.



ALL EYES ON LONDON

Under the impact of Brexit, the apparently incontestable property market position of London may have been shaken, however, other European cities may profit greatly by astutely navigating in its wake. Since the announcement of Brexit, many banks have anticipated their possible relocation from London, ranked as one of the most important financial centres in Europe and the world. The competition for them is increasing in strength.

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2016: THE REAL TURNING POINT

Days of strong development activity on the Budapest office market are once again ahead of us. The market has been growing steadily and cautiously for years now. BTS developments and large pre-lease deals have dominated property news cycles for over a year, and the time has finally come for developers with speculative projects to make their move.

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Katalin Major

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AND THEN CAME BREXIT

The United Kingdom's decision to leave the European Union dominated property news cycles over the summer. After the initial shock things have somewhat cooled down, but it is still uncertain to what extent London will lose its position as the capital of the European real estate market. The first figures show that although investors have started acting a bit more cautiously, they are just as hungry for yields as they were before the referendum took place. As London's position as Europe's prime office hub is expected to weaken, other major cities of the continent can emerge as the winners of Brexit. Our cover story explores the potential consequences of the 'Brexit fallout' and how even CEE capitals can attract more tenants looking to move their operations, or investors and developers looking for new opportunities. Interest in Central and Eastern European assets has been growing steadily for several quarters now, with over €5 billion being invested in regional real estate in H1 2016 and Brexit, might give a further push to this growth story.

Our monolingual issue explores what CEE markets have to offer. We cover each market of the region with in-depth analyses and exclusive interviews, focusing not only on capital cities but quickly growing regional markets as well.

The contents of this issue and especially its cover story connect with the upcoming international property conference of our number one professional partner, Portfolio. Central and Eastern Europe's leading real estate market experts and decision makers will gather again in the Austrian capital for the fourth time on 21 September. The biggest question of this year's CEE Property Forum is to what extent fears over the potential consequences of Brexit will overshadow the cautious optimism that has characterised the outlook of real estate professionals in the last two years.

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GTC LAUNCHES TWO NEW PROJECTS IN BUDAPEST

Construction commenced on GTC Hungary's latest office development project. GTC White House's design incorporates and renovates the 100-year-old building of a former elevator factory (Schlick Felvonógyár) to create a modern office space of approximately 2,000 sqm with a unique working environment. The preserved historic building will be integrated into the whole of the new 21,500 sqm Class A office complex, which will be built to a LEED Gold environmental standard. Each floor will offer 2,880 sqm of office space. Swietelsky Hungary was named as the contractor for the deep foundation and basement works for the project. Cushman & Wakefield and CBRE were appointed to serve as joint exclu-

sive letting agents for the building, which is expected to be completed by end-2017. Concurrently, GTC Hungary will carry out a full interior refurbishment and technical reconstruction at Duna Tower Office. The building, which was purchased by GTC in one of the biggest single asset office building acquisitions of 2015, will be renewed at a total cost of €2 million. The interior refurbishing of 3,000 sqm of community areas and the full technical reconstruction of Budapest's highest office building started in July. The remodelling of the 16-storey tall building, which offers a total of 31,500 sqm gross leasable area, is scheduled to finish in mid-October.

VACANCY INCREASES ON THE CZECH INDUSTRIAL MARKET

According to the Industrial Research Forum, the vacancy rate on the Czech industrial market reached 4.7% at the end of Q2 2016, having increased by 57 bps since Q1 2016. This represents a total of 282,900 sqm of modern industrial premises ready for immediate occupation. Vacancy in Prague increased slightly, reaching 3.2% at the end of Q2 2016. During Q2 2016, gross take-up, which includes renegotiations, reached 349,300 sqm showing an increase of 11% on the Q1 2016 figures. In comparison to the same period of last year, gross take-up declined by 3%. Net take-up in Q2 2016 totalled 263,700 sqm, which is 25% above the previous quar-

ter. Year on year it increased by 4%. Net demand in Q2 2016 was driven by logistic (3PL) companies (51%). The share of renegotiations went down to 25% of quarterly gross take-up.

The largest new transaction in Q2 2016 was concluded by Sportisimo, who signed a pre-lease for 34,800 sqm at Prologis Park Prague-Rudná. The second largest new transaction was a pre-lease of 24,500 sqm signed by Raben Group for premises at Panattoni D5 Hořovice Park. The largest renegotiation of Q2 was concluded by Personna International, prolonging their 16,550 sqm lease in CTPark Teplice.

HB REAVIS SELLS KONSTRUKTORSKA BUSINESS CENTER IN WARSAW

HB Reavis has sold its Konstruktorska Business Center to international real estate investment company Golden Star Estate B.V. in the developer's first divestment in the Polish market.

Konstruktorska Business Center provides Mokotów, Warsaw's prime business district, with 49,500 sqm of Class A office space. The seven-storey office scheme boasts two green internal patios of 3,200 sqm in addition to the largest floorplate in Central and Eastern Europe. Konstruktorska Business Center is 100 percent occupied and home to companies such as Procter & Gamble, PZU, Otis and Heineken.



PROLOGIS DEVELOPS NEW PARK IN CENTRAL POLAND

Prologis will deliver an 11,740 square metre built-to-suit (BTS) facility for Geis PL, a German logistics operator, at Prologis Park Stryków (in the Łódź Metropolitan Area). The project is scheduled for completion in Q4 2016. The new cross-dock facility will feature a large number of docks on both sides of the building, a design that will help to optimise the customer's operations. At the request of Geis, both the parking area and the picking area will be expanded, whereas the office space will be provided in the form of a pop-up block.



BRNO'S COURT-YARD MARRIOTT HOTEL SET TO OPEN THIS AUTUMN

The opening of the Courtyard Marriott Hotel in Brno, Czech Republic, built by CTP at Spielberk has been set for the autumn. Apart from 201 rooms on 15 floors, the hotel also offers a rooftop suite, a restaurant with a bar for 150 guests and 10 meeting rooms with access to the large outdoor terrace. The main conference hall boasts 360 sqm of floor space and the capacity for 400 people. The Courtyard Marriott Hotel is situated at Spielberk Office Centre, a popular business area of Brno and within walking distance of the Brno Exhibition Grounds.

PROLOGIS OPENS ITS SECOND SBU BUILDING IN POLAND

Prologis has opened a 16,000 square metre small business unit (SBU) facility at Prologis Park Chorzów, which is already 60 percent leased. This is the last building to be constructed at Prologis' largest distribution centre in Poland, totalling 251,000 square metres. Prologis Park Chorzów is located on the western outskirts of Katowice, in the immediate vicinity of the A4 motorway connecting Ukraine and Germany.

TRIGRANIT OPENS SIXTH BUILDING IN KRAKOW OFFICE COMPLEX

Building F, the sixth Class A office building of Krakow's Bonarka for Business (B4B) complex opened on 6 September. The eight-storey, BREEAM-certified building has 10,000 sqm of gross leasable area, of which half was leased before the official opening.

Developer TriGranit plans to deliver three more office buildings in the near future due to the increasing demand for office space in the region. Ultimately Bonarka for Business will offer 10 office buildings with a total leasable area of 95,000 sqm and a value of €200 million. In the first stage of construction four seven-storey Class A office buildings (Buildings A, B, C, D), were put into service in 2011, 2012 and 2013. The second phase of the project consists of three eight-storey buildings - E (inaugurated in 2015), F and G (scheduled to open in 2017). Construction of another three office buildings (H, I and J) is planned for the next three years.



AFI EUROPE TO SELL THREE BUCHAREST OFFICE BUILDINGS

AFI Europe Romania has signed a letter of intent for the sale of three of its five office buildings located in AFI Park Bucharest. According to a company report, the letter of intent was signed in June. AFI Europe wants to sell buildings 1, 2 and 3 of the complex with the option of selling AFI Park 4 and 5 to the same buyer. The name of the possible buyer has not been revealed.

The company estimates that the three buildings will be sold for €92.7 million

which stands for a yield of 7.75%. According to AFI Europe Romania's company report, the sale will generate a profit of € 6.5 million (before taxes) and a cash flow of €46.7 million.

AFI Park is located next to the AFI Palace Cotroceni mall. The first three buildings have a gross leasable area of 38,000 sqm and are fully let. The other two buildings of the complex have 32,000 sqm office space and an occupancy rate of 70%.





CONSTRUCTION ACTIVITY REACHES RECORD HIGH IN WARSAW

Sixteen office buildings have been completed in Warsaw in the first half of 2016, totalling 350,000 sqm. 100,000 sqm are scheduled for completion in H2 2016, which will bring the annual supply to a record high of 450,000 sqm. According to data collected by Cushman & Wakefield, the total modern office stock in Warsaw reached nearly 5 million sqm in H1 2016. The highest volumes of new office space were delivered in the city centre (180,000 sqm), the South West (60,000 sqm) and the North (50,000 sqm). This supply trend is expected to continue given the large number of office buildings planned or under construction in or close to central locations. The largest office completions in H1 2016 included Ghelamco's Warsaw Spire A (59,000 sqm), HB Reavis' Gdański Business Center 2 (buildings C and D totalling 49,000 sqm) and Echo Investment's Q22 (46,400 sqm).

The first half of 2016 saw strong leasing activity on the Warsaw office market with 360,000 sqm transacted, a figure comparable to the office take-up noted in the first half of the record-breaking 2015. 75% of the space leased during the first six months of 2016 was located in office buildings in the city centre (Fringe and Core) as well as the Upper South and South West subzones. Renegotiations made up 30% of the gross take-up and pre-lets around 17%. The largest transactions in Warsaw included Allegro's new lease of 7,600 sqm at Q22, the renegotiation by NC+ of its 7,500 sqm lease at the Canal+ building, and Budimex's pre-let of 7,350 sqm at the scheme at 16-20 Skierniewicka Street. Net absorption reached 133,000 sqm compared to 284,000 sqm in 2015.

At the end of H1 2016 the average vacancy rate in Warsaw stood at 15.4%, which represented a rise of 1.3 percentage points on the vacancy rate noted in Q1 2016 and an increase of 3.1 percentage points on the rate at year-end 2015. The large volume of new office space coming onto the market pushed the city centre's vacancies up to 17.6% with the vacancy rate in other office zones averaging 14.4%.

PANATTONI EUROPE TO DELIVER NEW BTS FACILITY NEAR POZNAN

Panattoni Europe is set to deliver a custom-tailored project for Trio Line, the Danish manufacturer of high-end upholstered furniture. The investment spanning more than 32,200 sqm of space will be developed near Poznań and will merge warehousing and manufacturing functions. The transaction was mediated by AXI IMMO, and completion of the facility is planned in Q1 2017.

The facility to be built will total more than 32,200 sqm – including a manufacturing section of approx. 21,000 sqm, warehouse space of 9,032 sqm, and office space of nearly 2,200 sqm. It will be located in Plewiska near Poznań, between the major road junctions of the A2 motorway and S11 expressway, en route between Berlin and Warsaw.

ROCKCASTLE ACQUIRES THREE REGIONAL SHOPPING CENTRES IN POLAND

Rockcastle Global Real Estate has acquired three regional shopping centres in Poland for a total of €522 million. Bonarka City Center in Kraków, Focus Mall in Zielona Góra and Focus Mall Piotrków Trybunalski will be added to the South African fund's portfolio.

Two separate preliminary agreements have already been signed with the sellers. One involves the acquisition of Bonarka City Centre, developed by TriGranit, for €361 million and the other the acquisition of Focus Park Zielona Góra and Focus Mall Piotrków Trybunalski from Aviva Investors for €161 million.



PANATTONI EUROPE BUYS WAREHOUSE AND LAND IN ŁÓDŹ

International real estate advisor Savills, on behalf of Aviva Investors, has sold a Small Business Unit type warehouse and a 3.5 ha development land situated in Łódź Business Park. The buyer was industrial developer Panattoni Europe.

Łódź Business Park consists of two buildings, A1 and B1, developed in 2011 according to the highest market standards for Small Business Unit-type properties. The subject of the transaction was the B1 building which comprises 2,900 sqm of rentable area with 43 parking spaces and a development land of 35,000 sqm.



Speculative Warehouse Development in Polgár

Successful business decision by InfoGroup

Another large company joined the group of lessees in the Polgár Industrial Park. SONA BLW Hungary Kft., the Hungarian member of the SONA Group, one of the most important Indian automotive suppliers, has signed a lease agreement for nearly 10,000 sq m warehouse area with the owner-developer InfoGroup. This precision metalworking company will employ 150 people and will begin production in Polgár this year.

InfoGroup carried out another unique speculative logistic development in the countryside, and its newest hall has found its lessee as a result of fruitful negotiations conducted in recent months. The real estate agencies Colliers and Cushman & Wakefield were also involved in the deal. SONA BLW Hungary Kft. took possession of the first hall with 4,262 sq m warehouse and 459 sq m office space in August. The first machines will arrive in October and production can start in Q4 this year. The company will occupy the second building comprising a 4,215 sq m warehouse and 469 sq m office and service area in September 2017. Apart from India, SONA has had manufacturing facilities only in Germany and the United States so far.

"The SONA Group, as part of its expansion plans, was searching a manufacturing site in CEE. Hungary in the recent years has attracted a number of global automotive companies, which was definitely a positive factor for the SONA Group in selecting Hungary as a destination for our investment. The investor friendly environment of Hungary, the competitive lease conditions and the flexible extension opportunities offered by Polgár Industrial Park, as well as the cooperative working atmosphere with the mayor's office in Polgár, all contributed to SONA establishing its new unit there in Hungary."

– said Sunjay Kapur Head of SONA Group.

Ádám Székely, managing director of InfoGroup, a company operating in the Hungarian real estate market for 26 years, said in connection with the conclusion of the agreement: "Settling of SONA

in Polgár is much more than a business success: a large number of new jobs will be created in a major business sector and it will also reinforce the role of this region in the Hungarian real estate market. We hope that others will follow the example of this Indian company to establish themselves in Polgár."

Lessees in the industrial park, which has the 'Regional Logistics Centre' title since 2013, include such Hungarian and multinational companies like Jabil Circuit, Toyota Tsusho, Volvo and Gyermelyi.

The existing logistic halls in the Polgár Industrial Park represent an area exceeding 27,000 sqm – with an occupancy rate of 100%. Moreover, the second building of the newly built hall will be used by an existing lessee until SONA moves in. Now it is apparent that further storage area will be needed within the park as of September 2017. The owner-developer InfoGroup has concept plans for another 90,000 sq m facility, including conventional "big box" warehouses and so-called cross-dock and refrigerated warehouses as well. In addition, the park, with its excellent location along M3 motorway offers plots for development to long-term investors and companies looking for a site.

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BUDAPEST OFFICE VACANCY RATE CONTINUES TO DECLINE

The Budapest office vacancy rate continued to decline by 3.9 pps y-o-y and 1.0 pps q-o-q bottoming at 10.3%, the lowest level since the financial crisis. The lowest vacancy rate (5.8%) was measured in the South Buda sub-market, whereas the Periphery region suffered from a 31.2% vacancy rate.

Demand in the second quarter of 2016 reached 129,172 sqm of transacted office space, which was 53% higher than in the

previous quarter. According to the Budapest Research Forum, 202 lease agreements were signed in Q2 2016, with an average deal size of 639 sqm. Renewals were the major drivers of the market with a share of 51%. This was followed by new deals with a proportion of 37%. Expansions accounted for 8%, whereas pre-leases for 4%. No owner-occupied or BTS transaction was registered in this quarter.



HB REAVIS SELLS FIRST LONDON DEVELOPMENT TO WELLS FARGO

In one of the largest single office deals in the City of London market this year, international real estate developer HB Reavis is selling 33 Central to Wells Fargo, the third largest bank in the U.S. by assets. Upon completion in Q3 2017, 33 Central, which is HB Reavis' first London development, will allow Wells Fargo to consolidate all of its London-based team members in a single location.

HB Reavis' original strategy for 33 Central was to retain and lease the development, but after initial leasing discussions Wells Fargo approached HB Reavis expressing the wish to own and occupy the 21,000 sqm building. HB Reavis agreed then to forward sell the shares in its subsidiary which owns the development.

VACANCY INCREASES ON THE BUDAPEST INDUSTRIAL MARKET

Total leasing activity on the Budapest industrial market amounted to 92,100 sqm in Q2 2016, which marks a 22% decrease q-o-q. Similarly to previous quarters, most of the demand was generated by renewals with 65% of TLA, while new leases made up only 3% and expansions 13%. Due to limited available space several large pre-leases were signed during the quarter, totalling 17,650 sqm (19%) The vacancy rate currently stands at 9.7%, which is 1.1 pps above the level of Q1 2016 and thereby marks the first quarterly increase since Q3 2013.



NEW OFFICE BUILDING OPENS IN BUDA

With the last works completed in July, Budapest's newest office building "Buda Loft Offices" is ready to welcome its new tenants. The building – which used to be the Goldberger textile factory – now offers modern loft offices. Divided over five floors, offices are available from 212 up to 2,500 square metres. Colliers International has been appointed as the exclusive letting agent on the building.

NEINVER ENTERS THE CZECH MARKET

Neinver, a Spanish developer, investor, property and fund manager, has partnered with The Prague Outlet to forge a joint venture launching Prague The Style Outlets, the first premium outlet centre in the Czech Republic, with a GLA of more than 20,000 sqm. Neinver will be in charge of leasing, retail and property management. The conversion, remodeling and rebranding process will be fully completed by October 2017. The second phase, with an additional 10,000 sqm of GLA, is scheduled for two to four years later. The joint venture is financed by PPF Bank.

ROCKCASTLE ENTERS THE CZECH MARKET

Rockcastle has acquired Forum Liberec from British retailer Tesco for approx. €80 million. Forum Liberec is a regional shopping centre located in the heart of Liberec, the capital of the North Bohemia region. The 47,000 sqm centre is tenanted by strong retailers including Tesco, Cinema City, C&A, Datart, Gant, H&M, Lindex, New Yorker, Nord Blanc, Norma, ProBest, Re-

served, Sportisimo and Tiger.

Rockcastle's investment focus has been in Poland where it owns 6 retail centres and this acquisition represents its first investment in the Czech Republic. Its strategy is to expand its retail property portfolio in Poland, Czech Republic and Hungary through the acquisition of existing assets and retail development sites.



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ALPHAS





ON LONDON



Frankfurt

BREXIT FALLOUT GOES ALL THE WAY TO CEE

PÉTER FUTÓ

JUST RECENTLY, THE DEPUTY PRIME MINISTER OF POLAND WENT TO THE CITY ARMED WITH AN INVITING PACKAGE, BUT OTHER EUROPEAN CITIES ARE ALSO QUEUING UP IN LONDON. THE MAYOR OF FRANKFURT, FOR INSTANCE, WILL TRAVEL TO THE BRITISH CAPITAL AT THE BEGINNING OF AUTUMN, AND PARIS IS ALSO PROMISING TO ROLL OUT THE RED CARPET FOR THE BANKERS. SINCE THE ANNOUNCEMENT OF BREXIT, MANY BANKS HAVE ANTICIPATED THEIR POSSIBLE DEPARTURE FROM LONDON, RANKED AS ONE OF THE MOST IMPORTANT FINANCIAL CENTRES IN EUROPE AND THE WORLD. THE COMPETITION FOR THEM IS INCREASING IN STRENGTH. IT IS NOT AT ALL SURPRISING THAT THE MAYORS HAVE TAKEN THIS "ROAD TO CANOSSA" BY VISITING LONDON, AND AT THE SAME TIME IT THROWS LIGHT ON HIGHLY IMPORTANT MARKET PROCESSES. UNDER THE IMPACT OF BREXIT, THE APPARENTLY INCONTESTABLE PROPERTY MARKET POSITION OF LONDON MAY HAVE BEEN SHAKEN, HOWEVER, OTHER EUROPEAN CITIES MAY PROFIT GREATLY BY ASTUTELY NAVIGATING IN ITS WAKE.



Paris

LONDON AND THE EUROPEAN PROPERTY MARKET

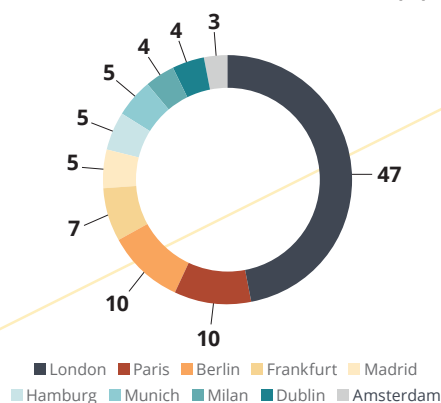
On a global scale, commercial property investments show a very high concentration, with half of the investments in the world centred in 30 cities. London stands out from among these (although New York outran it to some extent last year), persisting in the first position on the list for years. 6 percent of world property investments are directed at the British capital.

In order to illustrate the relative weight of London, let us examine a few more figures. Based on GDP the leading economy of Europe is Germany, as well as the most populous, and in terms of per capita product it also outruns both Great Britain and France by almost 50 percent. However, it is only in second place in the volume of commercial property investments. There may be a number of German cities among the most important commercial centres, but none of them can compete with Great Britain, where thanks to London, property investments have been successively made in recent years to the value of 40-50 bn euros.

In itself the British capital signifies a larger

market than the whole of France, but it also exceeds the collective investment volume of the largest German cities. The total value of London investments is 12-14 times greater than that of the Amsterdam and Dublin markets, whilst it exceeds the entire investment volume of Hungary by 100 times during the crisis, and by 60 times since the upswing in the Hungarian market.

RATIOS OF PROPERTY INVESTMENT VOLUMES IN THE CITIES OF EUROPE (%)



Source: JLL

AND THEN CAME BREXIT

London can therefore be regarded as not only the global capital of the financial market, but also of the property market, at least until now. But in the historic referendum of 23 June, the population of Great Britain opted for Brexit, and it appears that the country's leaders will consequently implement the will of the people. In several respects this will be a turning point in the life of the island nation. Deliberation on the future of the European project and the political and economic consequences of Brexit has received enormous attention since then, and it is becoming increasingly clear that this decision may transform the European property market in the long term. By leaving the EU, the apparently incontestable property market position of the British capital could be shaken, and other European capitals could attract greater attention, more opportunities and first and foremost more capital.

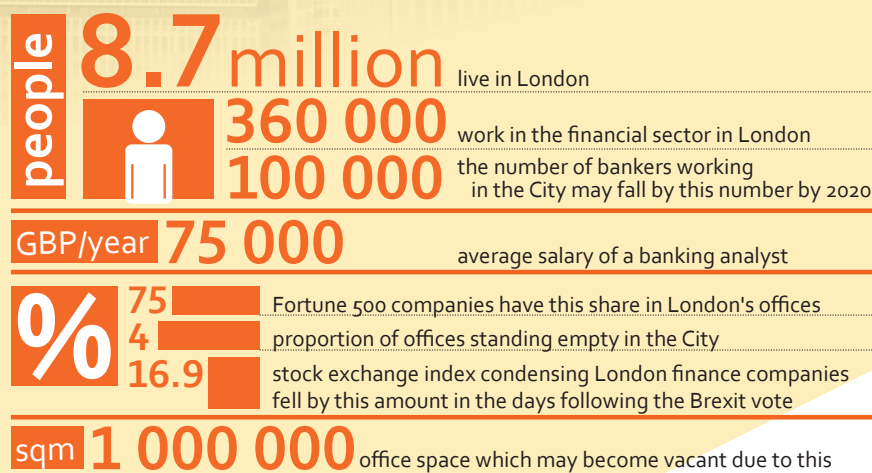
Just a few months have elapsed since the vote, but a number of major banks have already indicated that they consider moving out of London to be conceivable. According to Bloomberg, the chief reason why the

London

banks are worried is that the United Kingdom has no concrete plan as to how it would maintain its leading status on the European financial market. The greatest fear is that because of Brexit, London would lose its present unrestricted operating licence in the EU states. 13-14 million people live in Greater London at present, and more than 100 of the top 500 European businesses have their head offices here. 75 percent of the Fortune 500 companies have an office here.

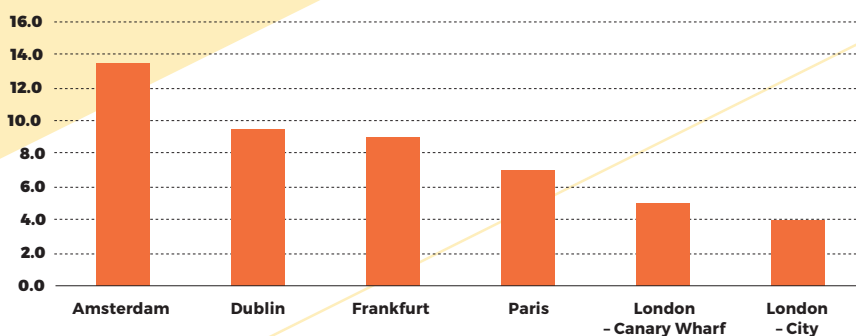
Numerous American, Swiss and German banks have their major offices in London, which means that more than 10 percent of their total workforce works in the British capital. According to Bloomberg economic experts, these banks may depart from the British market long before the exit date in two years' time and seek a new European centre. European capitals with a stable economic environment may profit from this. The loss of investor confidence, the uncertain prospects resulting from the news of Brexit may involve significant negative consequences. Experts agree that the fall in the number of transactions experienced in the first half of 2016 may continue, which sooner or later may be perceived in the prices of commercial properties. The possible defection of leading world companies may mean a blow, not only with regard to the City, but also to the British commercial property market as a whole.

"Immediately after the vote, the Bank of England cut interest rates to avoid a contraction. What is already certain is that low



Vacancy rate on the office markets of European cities (%)

Source: Savills



interest rates in Europe and the UK are here to stay for a long time and that due to the fall of the sterling vs. EUR and USD, paired with the value adjustments, UK properties became much cheaper over the summer, says Benjamin Perez-Ellischewitz, Head of Capital Markets at JLL Hungary.

According to Morgan Stanley experts London's commercial property prices in Canary Wharf and the City could potentially drop

by 10%-20%, due to lower rents and weaker capitalisation rates, which are a measure of returns on investment. They believe that Europe will be less affected but is by no means out of the woods, and as economic uncertainty takes up tenancy, global investors may shift to key U.S. and Asian property markets.

The loss of ground by the London financial market may be felt not only in the commer-

CEE markets could profit from Brexit



Benjamin
Perez-Ellischewitz
Head of Capital Markets, JLL

In what time frame do you expect any changes caused by Brexit on the international real estate market?

Some effects of Brexit are already visible, others will take years to materialise and will depend on the way the divorce, if any, is ultimately negotiated. So far the impact has mainly been on the UK itself and much less on the rest of the EU.

Have you already seen changes since the vote?

Immediately after the vote, the Bank of England cut interest rates to avoid a contraction. What is already certain is that low interest rates in Europe and the UK are here to stay for a long time and that due to the fall of the sterling vs. EUR and USD, paired with the value adjustments, UK properties became much cheaper over the summer. Some investors might be scared away, others will look at this as an attractive acquisition window.

European transaction volumes are down compared to the same period of 2015. This is mainly caused by the UK and Germany. The fall in the UK was very substantial. Even if H2 2016 remains at the same level as last year, yearly volume will be down by more than 30%. In Germany the fall in volume is mainly due a basis effect as Q2 2015 was an exceptionally strong quarter.

What is the possible global effect from now till the exit and after the exit?

The unknowns around the specifics of the divorce and the shape of the ultimate relationship between the UK and the EU is creating uncertainty; always a problem for economic growth.

So far there is little sign of any direct strain contaminating the CEE region. The impact could come from secondary effects via a negative mood swing in economic sentiment or lower growth for our main economic partners (Germany, Austria and other CEE countries). A lack of confidence in the European project and the robustness of the economic system could depress the economy and the growth level, and therefore push down demand levels. What is clear is that the impact of Brexit is much more limited than that of the global financial crisis or the European sovereign debt crisis which peaked at the end of 2012.

What will Brexit mean for the British real estate market? (There is news about banks leaving London...) Could the CEE market profit from Brexit?

If Brexit transforms into a nasty divorce and the UK is stripped of the "financial passporting" rule, the role of London as the financial centre of Europe will definitely diminish. Jobs might be then relocated to the continent and therefore leave behind empty buildings. In this scenario cities which should directly benefit are today's secondary financial centres: Frankfurt, Paris, Amsterdam or Dublin rather than Budapest or Warsaw. Nevertheless, if an exit from London was to take place, banks might decide to have a more in depth review of their geographical footprint in Europe and could decide to near-shore some job to the CEE region instead of transferring all of them to expensive locations like Paris or Frankfurt. In this case, CEE markets could profit. Several European cities and countries picturing themselves as credible alternatives to London are already trying to woo some of the large banks and investment managers currently based in London. In our view reorganisations and job transfers, if any, would only take place once there is more clarity on the shape of the new relationship.

What will Brexit mean for the Hungarian RE market in the short and long term?

As discussed, the long term impact and in particular the demand side of the equation is impossible to read yet, but Hungary and Budapest should present themselves as potential hosts for some of the financial jobs. It looks like Warsaw is already doing it (see the article on the front page of the Financial Times on August 30). I think that the successful example of Morgan Stanley which has progressively built up its operations in Budapest (now occupying more than 17,000 sqm in the Millennium City Centre and employing more than 1,300 people) is a strong case study.

In the short term and in the context of low interest rates, the relative pricing of Hungarian real estate offers a great opportunity for investors to find returns. This has not changed, as prime yield in Paris or Germany are heading towards 3%: a 7% return on prime office in Budapest looks like a bonanza. The general expectation is that real estate yields will drop in the coming months in Hungary. In the short term therefore, there is nothing to fear.

cial property market, but also in the housing market. In consequence of its role as an economic centre, London is extremely attractive to young employees. The 8.7

million population of the city is constantly growing due to the influx of labour, reaching 13-14 million together with the surrounding built-up area. If due to Brexit,

however, companies were to file out of London or make cut-backs, the positive balance of migration would also ease off. There is a shortage of housing in the British



Dublin

capital at present, which investments can only keep up with in a limited way, so housing prices are among the highest even in a global context. The market is not only heated by the natural demand resulting from the growth in population, but also by the presence of investors. A London property – besides the prestige – has always been reckoned a stable investment.

THE WINNERS OF BREXIT

On the present market, London is the economic centre of Europe, where most global firms have a seat. But under the impact of Brexit the centres of gravity could be relocated, if multiple companies decided to leave and move to another European capital.

The vacancy rate of London offices is at present at a lower level than that of other European cities, but if firms move away, the proportion of offices standing empty could increase. This could lead to a fall in rental fees, whilst in other European capitals, the firms moving there from London could create greater demand and increasing rental fees on the local office markets.

Several of the major office providers are already planning expansion in Frankfurt, and interest in Amsterdam offices is also con-

stantly increasing. Besides this, Paris, Amsterdam and Dublin are vying to provide homes for companies leaving Great Britain as it exits the EU.

According to analysts, under the impact of Brexit the number of people working in the London finance sector could fall by 100 000 by 2020, and if the cities of continental Europe benefit from this, then demand for 1 million square metres of new office space could appear.

Frankfurt's vacancy rate of 9 percent means that 1.2 million square metres of office are standing empty at present. Besides this, the construction of a further 450 thousand square metres is planned over the next three years, which at all events points to investor optimism. If only 5 percent of those working in the London banking sector transfer to Frankfurt, even that will have a significant impact on the city. An additional positive point in favour of Frankfurt is that rental fees there are at present 60 percent lower than in London.

Paris has the second largest office market in Europe after London. Besides the 1 million square metres available at present, there are plans to make over 1.5 million square metres in the coming year. It should

be mentioned, however, that French labour law and the fact that rental fees are higher than those in Germany do not favour companies' relocating here.

From Dublin's point of view, it is positive that moving beyond the Irish debt crisis, it can exploit its lower rental fees and its young, trained workforce. Last year, the most contracts since 2007 were concluded in Dublin, the number being 25 percent higher than in the previous year. The other great advantage of Dublin is that it has the same language as London, while in other capitals of Europe language difficulties may arise. There may be only 300 thousand square metres of empty office space in the Irish capital at present, but there are plans to construct a further 500 thousand by 2018.

CENTRAL AND EASTERN EUROPE COULD ALSO BE AMONG THE WINNERS

Central and Eastern Europe is in a peculiar position, where the property market is becoming increasingly attractive independently of the British processes. After all, the yields achievable here are significantly higher than in Western European countries,



Amsterdam

both on the housing and the commercial property markets. Whilst Poland and the Czech Republic have been popular among investors for years, over the past two years an increasing number of foreign investors have bought in Hungary as well. So even this region could profit from the loss of confidence in the London market.

In particular Warsaw should be highlighted, which not only welcomes investors, but in competition with Western European capitals it has also begun specific negotiations with several London banks on the possibility of establishing new head offices in Warsaw. Warsaw may be geographically more distant from London than Paris, Frankfurt or Amsterdam, but even so the significantly lower costs could give the Polish capital a competitive advantage.

In contrast to these, Hungary could be more interesting from the investors' standpoint. After the 400 million euro volume typical of previous years, in 2015 investment deals to the value of 790 million euros were made in Hungary, which was unprecedented since 2007. Indeed, this amount is expected to increase further in 2016. Yields on the Hungarian market are still exceeding those of Western Europe. On the retail property

market, yields of 7 percent can be achieved, with up to 8.5 percent for logistics properties.

With its 10-12 trillion forints annually, the London investment market exceeds the Hungarian one by 50-60 times. In theory, this means that if investors were to re-group just 1.5-2 percent of this sum to Hungary, this would involve a doubling of the Hungarian market. This is of course just a theoretical number, but in any case it clearly shows that if just a small fraction of London investors are looking for another target for their investments, what a great impact this could have on the market of a smaller country.

SHAKEN CONFIDENCE

It is a fact that low interest rates globally are still directing investors towards the property market, and besides this, London will continue to be a cosmopolis, which despite the partial disappearance of finance market players will still be in high demand. Furthermore, London is not only an economic centre, but is also one of the most important destinations in the world in terms of tourism, besides continuing to enjoy enormous prestige.

At the same time, the weaker pound offers opportunities as well, as it can lure in foreign investors, like high-net-worth individuals to London's high-end residential property market. There is a silver lining on the commercial property market as well, as while some investors might be scared away by market uncertainties, others will look at this as an excellent point to enter the UK market.

This means that the British capital may be expected to continue to enjoy special attention; it just may not be as dominant.

It may not yet be reflected in the numbers, but London has now suffered a tremendous loss, which even in the case of a frictionless exit may take many years to restore: the shaken confidence of investors. Up till now, it has been possible to invest almost completely without risk in the largest property market in Europe and as yet one of the most stable in the world, but in future, investors cannot know that their money is completely secure here either. Market processes have become somewhat unpredictable, and this is a signal to investors that they should be more careful when deciding on the British capital. At the same time, London's fallout capital is welcomed by more predictable markets, or possibly those with enticing higher yields.

INVESTORS LOVE CEE – FROM ALL OVER THE WORLD

ÁKOS BUDAI

CEE investment markets have continued to grow in the first half of 2016 with transaction volumes increasing across all segments. The first six months of the year saw new sources of international capital entering the region with the largest share of investments coming from the United States, Germany and South Africa. Taking a look at the largest deals and the latest trends can help determine how long this momentum is expected to go on.

STRONG RESULTS FROM ALL OVER THE REGION

Over €5 billion have been invested in Central and Eastern European real estate in H1 2016, a significant increase (59%) compared to the same period of last year. According to data collected by CBRE, this growth is mainly a result of the region's strong performance in the second quarter, where investment volumes grew by 157% y-o-y.

Most key markets – Poland, Hungary and Romania – performed better than they did in H1 2015 with Poland remaining by far the largest market in terms of investment volumes. Slovakia has seen the most substantial increase in investment vol-

umes: €338 million have been transacted in H1 2016, compared to only €12 million in H1 2015. The Czech Republic has posted slightly weaker results than it did a year ago, but considering that 2015 saw the sale of a prime shopping centre in the heart of Prague for over €500 million, this year's results are showing that there is a continued strong interest in the country's assets.

Just like last year, retail has been the most popular asset class of 2016 with several large deals closed all over the region, mainly in regional cities. The subject of the largest single property transaction in Q2 2016 was a retail park in Sibiu, Romania. NEPI acquired Sibiu Shopping City from the Argo group for €100 million. During the second quarter, retail accounted for the majority of investment at close to €1.5 billion. A further €800 million was invested in offices, which remain the second most popular asset class, followed by industrial.

Although the overwhelming majority of deals closed in H1 2016 involved premium assets, demand is continuously growing for secondary properties. There are more and more segments of regional markets where quality assets are becoming scarce and this, combined with the increasing appetite for risk of investors hungry for higher yields, can mean that there will be more transactions involving secondary assets in the near future.

"The Czech Republic and Poland have long been considered the two favourite destinations among investors looking to acquire property in Central Europe, but in the last 12-18 months Hungary has also started to appear on their radars. Interest in Hungarian assets is definitely growing, which is clearly shown by the fact that a number of significant transactions were closed in H1 2016 by investment groups that were not active in Hungary earlier. Eiffel Square has been purchased by German asset and investment manager KGAL, while Váci Corner Offices, the first building developed by HB Reavis in Budapest, has been sold to a group of investors represented by Zeus Capital Management – just to name a few of the new entrants to the Hungarian market," commented Mátyás Gereben, General Manager of CPI Hungary. "I think that Romania needs time to catch up with the rest of the region and it will take around three years for it to get on the map of the biggest investors."

NEW SOURCES OF INTERNATIONAL CAPITAL

Less than 20% of capital invested in CEE came from within the region in H1 2016 and a significant portion, approximately 35% was attributed to non-European investors. According to Cushman & Wakefield, close to two thirds of the capital has emerged from three countries – the United States (27%), Germany (19%) and South Africa (18%). In the last quarter alone South African investors have spent €1 billion in the region, predominately on Polish property. This year's largest deal to date was closed by a South African company when Redefine acquired

a 75% stake in Echo Investment's mixed-asset portfolio, for €890 million. German institutional investors have also increased their regional activities, even in Hungary, a country that they seemed to have vowed to stay away from after the financial crisis. Unlisted funds were the dominant purchasers over the second quarter with just over €1 billion invested, taking their investment over the last twelve months to €5.3 billion. Listed companies (predominantly South African) invested over €1 billion, making them the most active investor group over Q2 2016.

MOST CEE MARKETS FEEL COMMERCIAL REAL ESTATE IS AT FAIR VALUE

The RICS Investment Sentiment Index (a composite measure capturing overall investment market conditions) continues to be in positive territory across all large markets in the region, although only marginally so in Poland. The Czech Republic recorded the most notable pick-up during the second quarter of 2016, with the ISI rising from +18 to +34. Nevertheless, Hungary remains the

frontrunner in terms of investment market momentum. Demand continues to rise robustly from both foreign and domestic buyers. As a result, capital values are expected to rise between 7-9% across prime sectors while secondary markets are forecasted to see price growth of around 4% over the next twelve months.

Continuing on from the previous quarter, demand from foreign and domestic investors rose in each nation. With the exception of Hungary, the Czech Republic attracted the sharpest rise in foreign investor enquiries relative to all other CEE markets. Although capital value projections in the Czech Republic point to solid growth in prime subsectors over the coming twelve months, the outlook is flat for secondary markets. Likewise, capital values are ex-

Prime rents in the CEE region (€/sqm/m)



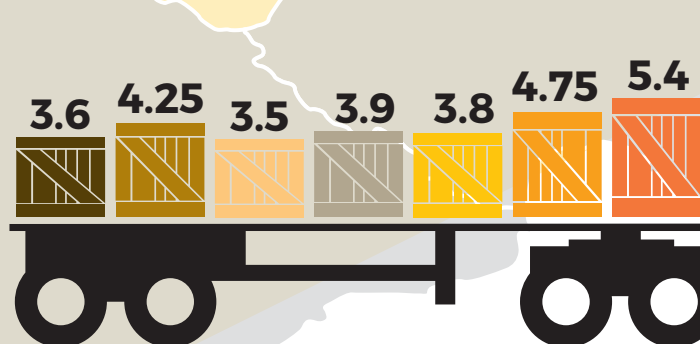
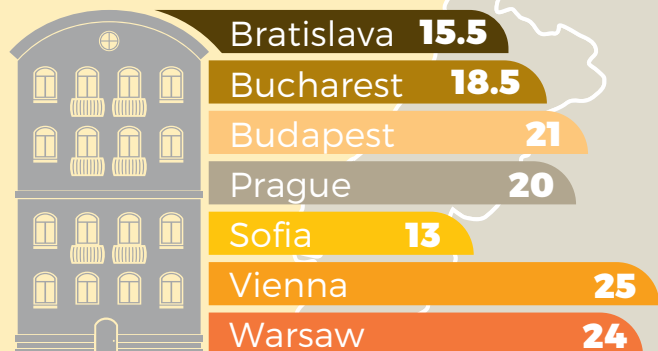
Office



Industrial



High street retail



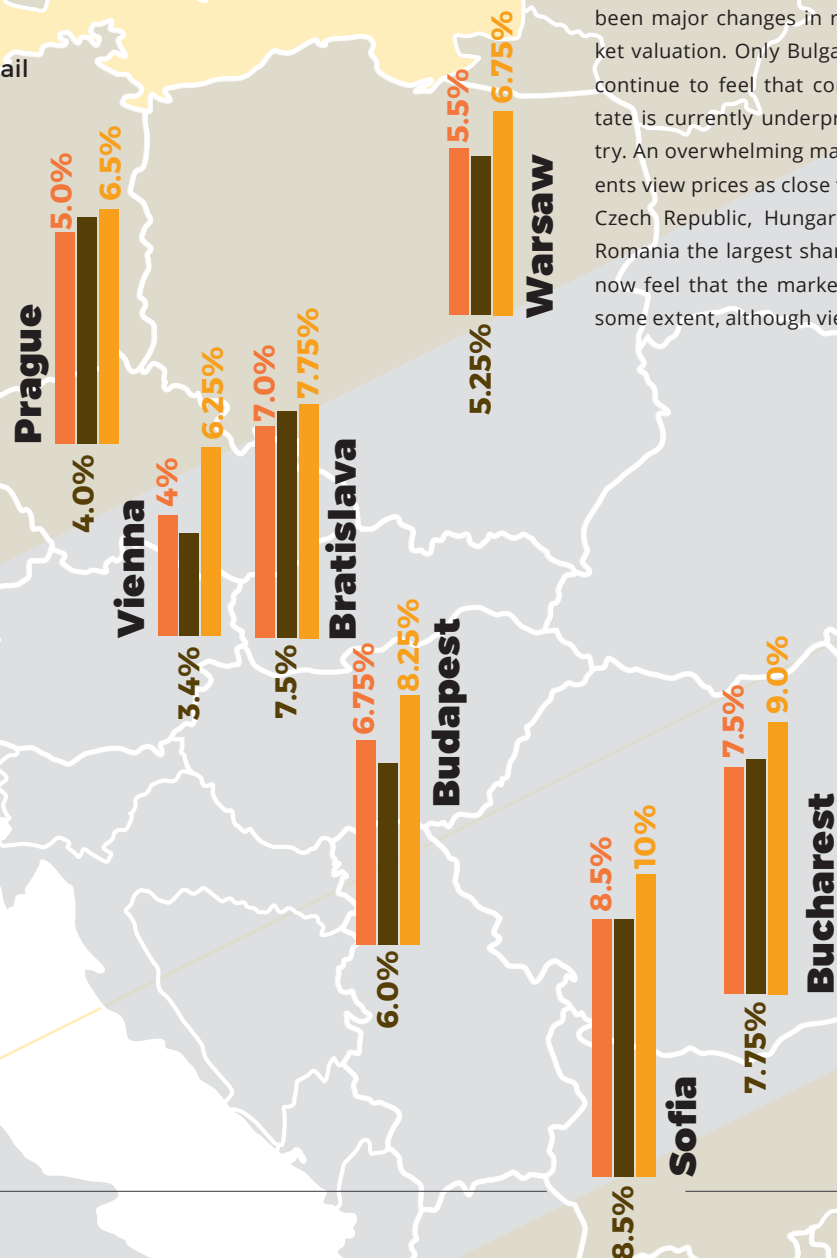
CEE INVESTMENT MARKETS (MILLION EUROS)

Market	H1 2016	H1 2015
Bulgaria	-	14
Croatia	12	98
Czech Republic	968	1337
Hungary	734	271
Poland	2046	801
Romania	359	173
Serbia	203	-
Slovakia	338	12
CEE (excluding Russia)	5013	3134

Source: CBRE, Portfolio Property Forum

Prime yields in the CEE region

- Office
- High street retail
- Industrial



pected to increase in prime markets across Romania over the year ahead, while secondary sectors are anticipated to see little change. Just like in previous quarters, the prime office and prime retail sectors are expected to see the strongest growth in these nations. In Bulgaria, capital values are projected to increase in all sectors, albeit only marginally across secondary industrial units.

In Poland, the largest market of the region, twelve-month capital value expectations remain mixed. Projections point to prime retail assets posting modest growth, while the outlook is marginally positive across the prime office and industrial areas of the market. Meanwhile, prices are expected to come under further downward pressure in the secondary office sector.

Compared to previous quarters there have been major changes in respondents' market valuation. Only Bulgarian respondents continue to feel that commercial real estate is currently underpriced in the country. An overwhelming majority of respondents view prices as close to fair value in the Czech Republic, Hungary and Poland. In Romania the largest share of respondents now feel that the market is overpriced to some extent, although views are mixed.



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Blue skies over the region's housing markets

TÜNDE MADUROVICZ-TANCSICS

ON THE WHOLE, WE CAN SAY THAT A GREAT NUMBER OF EUROPEAN HOUSING MARKETS ARE OVER THE CRISIS, AND PRICES HAVE ONCE AGAIN BEGUN TO RISE. THE UPSWING IN THE REGION'S HOUSING MARKETS IS SUPPORTED BY A NUMBER OF FACTORS. WE SEE STRONG RECOVERY IN HOUSING MARKET DEMAND, AND SIGNIFICANT DEVELOPMENT ACTIVITY ALL OVER THE REGION.



The upswing in the region's housing markets is supported by a number of factors. Following the economic crisis, GDP has begun to grow once again in most countries, and the interest environment is also favourable to borrowing. These both contribute to a recovery in housing market demand, which may then materialise in higher prices. On

the whole, we can say that a great number of European housing markets are over the crisis, and prices have once again begun to rise. Depending on when the turnaround occurred, the countries are at various points on the upward section of the cycle. Also, in the case of housing markets in the Central Eastern European region, significant differ-

ences in price dynamics may be observed. Hungary stands out from the field, where a highly significant price rise has been observed in the past two years, the prices of second-hand homes leaping by 29 percent. Let us look at the housing markets of the individual countries one by one, to see where they stand in the upswing.

HUNGARY

After a long and significant fallback, the Hungarian housing market started to grow again at the beginning of 2014, and the surge which has lasted two years now appears to be unbroken, ranking as outstanding even in a European context. Although it seemed at the end of last year that the growth was slowing down, at the beginning of this year the price rise broke a record, as second-hand housing prices increased by 5.6 percent in three months.

Under the impact of the significant price rises of recent years, compared with the nadir of 2013, at the end of March 2016, housing cost 29% more. Thus, prices have even surpassed the pre-crisis maximum, second-hand homes being 5.3 percent more expensive than in 2008 on a national average. It is true, however, that there are still regional differences in the growth of housing prices in the country. The largest price rise can be seen in Central Hungary, whilst in the economically less developed areas the rise was smaller. In the future, prices may still continue to rise in the country: the factors supporting the housing market, such as low credit interests, positive economic growth, increasing wages and low unemployment continue to aid the increase.

POLAND

Before the crisis, the housing market in Poland was soaring, with prices rising by 23-48 percent per year between 2005 and 2007. In 2008, the year of the crash, the rise was only 13 percent, and a downhill trend lasting 6 years began.

Although the housing market is supported by numerous factors in Poland, such as low

credit interests and a new housing benefit scheme which increase the demand for housing (this can be seen in the increasing number of transactions), prices have only risen to a very minimal extent. At the end of the first quarter of 2016, around 1 percent more had to be paid for homes than one year previously. The capital Warsaw still ranks as the most expensive, with an average price per square metre of about 1950-2000 euros, the second most being asked for properties in Cracow, with an average specific price of about 1560 euros. As the previously described favourable conditions still exist in the future, the prospects for the Polish housing market continue to be positive, and we can count on increasing demand.

CROATIA

Housing prices in Croatia have been falling for many years, partly due to the economic crisis, worsened by the eurozone crisis. These strongly affected the economy of a country so dependent on tourism. But after this extended period, it appears that the Croatian housing market is finally climbing out of the pit; according to BIS data, prices once again began to rise in the third quarter of 2015. Prices of residential properties in the country had increased by 2 percent by the end of the first quarter of 2016.

The upswing is more conspicuous on the Adriatic coast, where over three quarters of a year, by the end of the third month of 2016, prices were higher by 3.3 percent. International investor interest could have played a major role in the greater success of the coastal areas. The recovery is less convincing in the capital. While the third quarter of 2015 saw a



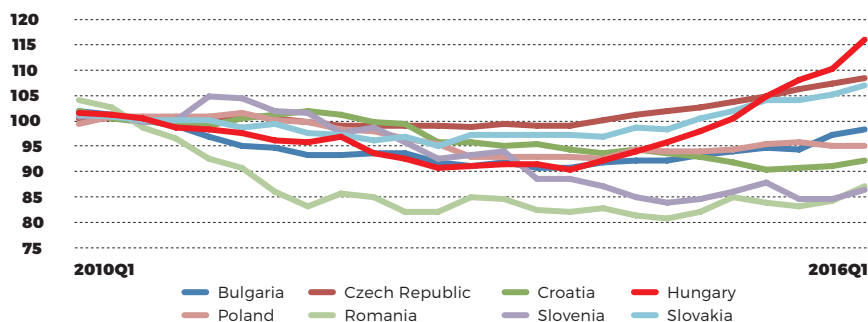
very faint growth, prices fell again by 1.3 percent in the fourth quarter. However, the fact that a 1.8 percent price rise was observed in the first three months of this year according to BIS data does give reason for confidence. The improvement which has begun on the housing market in Croatia could continue this year: economic growth could exceed that of last year, and investor interest in properties could continue to strengthen.

ROMANIA

It appears that the Romanian housing market has also started to grow, aided by improving economic performance and the low level of interest rates on credit. At the same time, the political uncertainties overshadowed the positive picture for a long time. After the initial fallback at the beginning of last year, however, prices once again started to rise, thus 2.6 percent more had to be paid for residential properties in the country as a whole at the end of the first quarter of 2016 than one year earlier. In major cities the increase was even greater than this. In Bucharest prices rose by 3 percent, thus close to 1100 euros had to be paid for an area of one square metre. Prices also shot up in Cluj-Napoca, producing a growth of 12.4 percent between the third quarter of 2015 and the same period of 2014, and the prices per square metre have exceeded even those in the capital. The future prospects for the Romanian housing market are positive, economic growth and expanding lending could promote a continuing rise in prices.

House price index in CEE (2010=100)

Source: Eurostat





BULGARIA

The Bulgarian housing market is likewise experiencing a period of recovery. Housing market demand is increasing, and there is also significant investor interest. Many are looking for a place for their money on the housing market. Prices were showing constant growth in 2014, and the rise continued in 2015 too, although it should be mentioned that something of a fallback was observed in the third quarter. But at the end as well as the beginning of the year, growth had the leading role. The main driver for the housing market upswing was the capital Sofia, where housing prices rose by 6 percent in 2015 compared with the previous year and in the final quarter of the year the average specific price overstepped the 800 euros/square metre level, for which there had been no precedent since 2011. The buoyant housing market of the capital is clearly shown by the fact that the number of transactions is also increasing. According to data from BulgarianProperties, following a 17 percent improvement, close to 24.4 thousand sales deals were concluded. In spite of the upswing, prices are still far from the level before the crisis, but they could rise further during the current year.

CZECH REPUBLIC

The Czech housing market is likewise on the rise, like several of its companions in the region, the economic growth, the low credit market interest rates as well as increasing

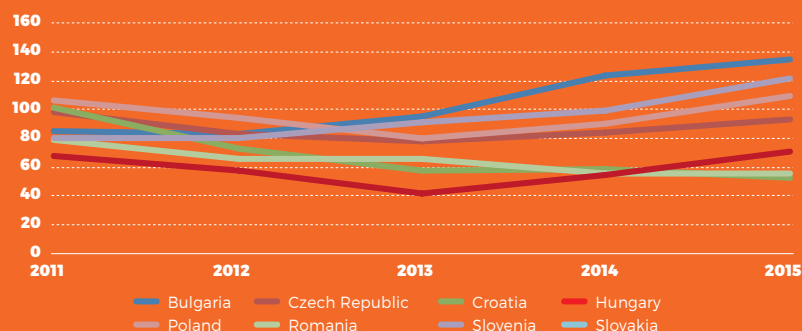
Housing constructions have been launched

With the exception of Croatia and Slovenia, the number of building permits for the construction of buildings with two or more apartments is growing in Central Eastern Europe, i.e. the launching of housing developments has begun. On this front too, the largest growth was produced by Hungary, where compared with the annual average value in the year 2013, ranked as the minimum, the number of building permits had risen by more than 60 percent by 2015. In spite of the significant growth, however, the number of permits still remains far below the maximum from before the crisis. The level of building permits issued in 2015 was less than 29 percent of those in 2007. In Hungary, however, a further significant improvement is to be expected. The reduction in VAT and the new housing benefit system both favour the launching of investments, as a result of which in the first, traditionally weak quarter, close to 20 percent more permits were issued than in the last three months of 2015, whilst compared with the first quarter of 2015, the number of permits issued for buildings with two or more apartments almost doubled.

Bulgaria also produced good results in the area of housing construction, where by 2015 the number of permits issued had grown by 63 percent compared with the nadir, but the lag compared with the pre-crisis maximum is also significant here, being more than 73 percent. Compared with before the crisis, the lag is smallest in Poland, where the number of building permits issued was just a little more than 23 percent lower than the earlier maximum.

Building permit trends in CEE (2010=100)

Source: Eurostat



demand from abroad are all having a positive impact. According to BIS data, around 4.5 percent more had to be paid for residential properties in the first quarter of 2016 than one year previously. Growth is therefore significant, although with this result the country is still not in the frontline. At least, as an effect of the housing price rises over recent years, at the end of March 2016, the same amount had to be paid for homes as in the third quar-

ter of 2008, which ranks as the maximum before the crisis.

The significant surge in housing market demand in the country is clearly shown by the fact that the number of transactions has exceeded the 2008 level. Besides domestic demand, a considerable influence is also exercised by foreigners from many other countries, who found a place for their money on the Czech housing market.

The Hungarian housing market is soaring

THE FHB HOUSING PRICE INDEX, BASED ON THE HOUSING MARKET TRANSACTIONS OF THE PAST 15 YEARS, ROSE TO A VALUE OF 215.06 IN THE FIRST QUARTER OF 2016. THUS DURING THE PERIOD OF GROWTH LASTING FROM THE BEGINNING OF 2014 TILL THE END OF THE FIRST QUARTER OF 2016 PRICES GREW BY APPROX. 40 PERCENT IN HUNGARY, IN BOTH NOMINAL AND REAL TERMS. IN THE FIRST THREE MONTHS OF 2016 THE MARKET PRODUCED RECORD GROWTH, THE DEGREE OF INCREASE BEING 7.6 PERCENT.

Prospects for the Hungarian housing market continue to be positive. The number of building permits has undergone significant expansion; as an effect of favourable government measures, more building permits were issued in the first half of 2016 than in the whole of last year. Compared with the same period in the previous year, the number of permits issued doubled in the first quarter, whilst in the second quarter the number of permits increased 2.65 times compared with the second three months of 2015. The growth cannot be seen yet in the number of houses being completed; the projects begun now as an effect of changes in the regulatory and subsidy environment will be completed in 2017-2018, and a significant leap in the number of certificates of occupancy will presumably be observed at that time.

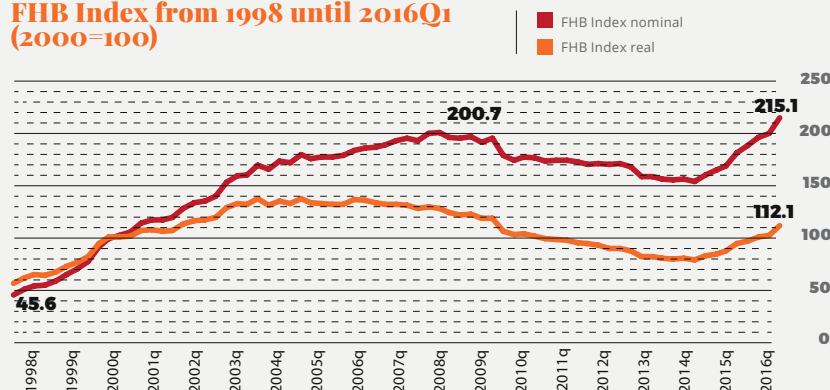
The mortgage market is likewise performing well. 260 billion forints worth of housing loans were issued by the banks in the first seven months of 2016, whilst in the same period of 2015 this number was just 176.5 billion forints. The amount of lending per month between March and July ranged between 40 and 50 billion forints. The present low interest rates are continuing to stimu-

late borrowing: the national bank base rate is still at a historical nadir in Hungary.

The FHB Housing Price Index and the associated property trade services are useful for every economic player who has contact with the housing market. Understanding the market is indispensable for making correct and well-grounded decisions. This applies to every developer, bank, agency or fund manager which is active on the property market. The formation of a realistic pricing strategy is crucial for the success of new housing projects, but this is impossible without a profound knowledge of the market.

The geographical details within the data featured in the FHB Housing Price Index show that there are significant variations between the different submarkets. The economically more developed areas with better job opportunities pull up the national statistics, whilst prices have risen less in the less developed localities. The driving force for housing price growth continues to be Central Hungary, but prices have risen to a much smaller extent in Northern Hungary. In answer to the challenges posed by the market differences outlined above, the FHB offers much more than a simple national in-

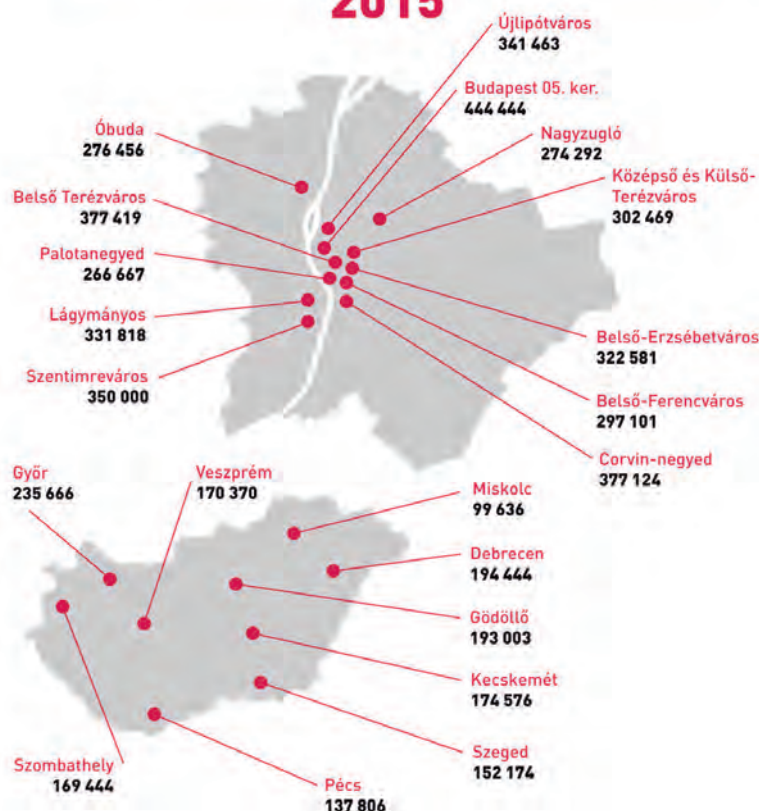
**FHB Index from 1998 until 2016Q1
(2000=100)**





Prices in university towns and popular locations

2015



average specific prices are hovering around 235 thousand forints/sqm, by Lake Velence only 145 thousand forints had to be paid on average for 1 square metre of property, while by the cheapest Lake Tisza, the average specific prices did not even reach 80 thousand forints.

As can be seen from the above, the Hungarian housing market shows a complex picture, so there is a great need for deeper, specific and regional studies analysing longer time-lines. Subscribers to the FHB Index therefore receive customised analyses on the development and/or current state of a given housing market segment in accordance with their business and strategic requirements or their enquiries.

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dex. Besides the FHB Housing Price Index published every quarter, the FHB offers its clients access to a whole series of regularly updated and detailed indices. These indices provide data detailed according to regions and property types, and in addition, experts who are interested in the property market are helped by numerous individual and thematic analyses.

It also deals with current topics such as the housing market demands of university students or the trends in housing prices in the vicinity of institutions of higher education. From this year's analysis, for example, it turns out that regional differences also show up in pricing in university towns. Whilst the square metre price of housing in Budapest did not sink below 190 thousand forints even during the years of the crisis, almost everywhere in the provinces, even in 2008 which counts as the peak before the crisis, the average specific purchase price was ranged below this value. Prices rose significantly in locations hosting the major universities, not only reaching the pre-crisis level, but even exceeding it in many places.

Of the locations examined, Győr was in the forefront, where prices were higher by a third in 2015 than they had been in 2008. But properties are considerably more expensive in the districts of Budapest popular among university students, these being V, XIII and XI, as well as the inner part of district VII. At the same time, a number of provincial locations fall short of the pre-crisis housing price levels, the greatest differences being in the cases of Miskolc and Pécs. It also turns out from our analysis that although housing prices have risen significantly over the past two years, due to the fact that rental fees have also leapt up, it is still worthwhile for families to think about purchasing housing for newly enrolled students, to live in themselves or to rent out. Within the scope of the thematic analyses, we have also examined the Hungarian holiday home market, and the results here also show significant differences between the various areas. The most expensive are the surroundings of Lake Balaton, where the

2016: the real turning point for the Budapest office market

ÁKOS BUDAI

DAYS OF STRONG DEVELOPMENT ACTIVITY ON THE BUDAPEST OFFICE MARKET ARE ONCE AGAIN AHEAD OF US. BTS DEVELOPMENTS AND LARGE PRE-LEASE DEALS HAVE DOMINATED PROPERTY NEWS CYCLES FOR OVER A YEAR, AND THE TIME HAS FINALLY COME FOR DEVELOPERS WITH SPECULATIVE PROJECTS TO MAKE THEIR MOVE. HAVE THEY LEARNT THEIR LESSONS FROM THE CRISIS OR IS OVER-OPTIMISM GOING TO BRING US DOWN THE SLIDE OF THE PROPERTY MARKET CYCLE SOONER THAN WE EXPECT? WE TRY TO FIND OUT BY TAKING A CLOSER LOOK AT CURRENT TRENDS AND FUTURE DEVELOPMENTS.

"From 2008 to 2014, the Budapest office market was characterised by a high oversupply of vacant office space. The vacancy rate fluctuated between 16% and 22%, rental levels dropped, investment activity fell and financing terms became stricter. From 2010 the worsening market conditions were reflected in weak development activity as well, which reached its nadir in 2012 when the office stock expanded by less than 1%, and only three new office buildings were delivered comprising 23,000 sqm," says Rita Tuza, Head of Research at JLL. "2014 brought the long-awaited change. Occupational markets recovered and the vacancy rate shrank to 16%, which was similar to Warsaw's and Prague's level. Market conditions improved further in 2015 and various developers started the preparation of new developments, or decided to dust off their former plans."

Between 2013 and 2015, only a handful of established developers dared to be active on the Budapest market. In most cases they financed their developments internally and had already pre-let a significant portion of

their buildings by the time construction started. In 2015 a number of large-scale developments were announced, some of them entirely speculative. The real turning point for Budapest office developments, however, only came in 2016. Although at the beginning of the year many feared that the dynamic revival of the Hungarian housing market might take away some attention and manpower from commercial developments, that has quickly proven not to be the case.

"Currently, we are experiencing increasing development activity and it seems that speculative constructions have also returned. As a result, we expect roughly 200,000 sqm of new office space to be delivered on the market between 2017 and 2018, but as there are many other projects in the pipeline, this volume could easily be exceeded. The overall office market vacancy rate stood at 10.3% in Q2 2016, nearing the all-time low, while the vacancy rate of the Class "A" stock stood at 7.5%. Therefore the pick-up in construction volumes was very much expected. Considering that 10



years ago, between 2007 and 2008, when the vacancy rate was around 12%, roughly 460,000 sqm were added to the market, we can easily see that there is room for further developments, and the market will not become overheated soon," adds Rita Tuza.

The revival of the Budapest office market has urged developers to start projects in locations that have previously been deemed risky. Although nearly 30% of the future supply is concentrated on the Váci Corridor, the 13th district is not the only area that is expected to accommodate more construction cranes over the next few years. A quarter of the pipeline is located in South Buda, an area that has long stood out among Bu-

dapest submarkets for having the lowest vacancy rate. It is also the part of the city that has seen the biggest number of infrastructural developments in the past years, including a new metro line and the extension of a busy tram line. Central Pest also accommodates a significant portion (19%) of the pipeline, mainly thanks to the final stages of the Corvin Promenade project.

Corvin Promenade has proven to be highly successful over the years and now Futureal is not the only company in Budapest that sees the future in large-scale, mixed-use city centre developments. HB Reavis purchased a large piece of land last year at the most important junction of the Váci Corri-

dor that has over 120,000 sqm of development potential. Very few details are public at this point, but the first phase of the new city centre is expected to materialise in the form of an iconic structure. A new city centre will also be built in South Buda, next to Kopaszi-gát, one of Budapest's most popular recreational areas. The developer, Property Market Ltd has announced plans to construct nearly 600,000 sqm of residential, office and retail space in 27 blocks over the course of 8-10 years. The first office building might be finished by the first half of 2018.

"The positive trends currently characterising the Budapest office market – strong de-



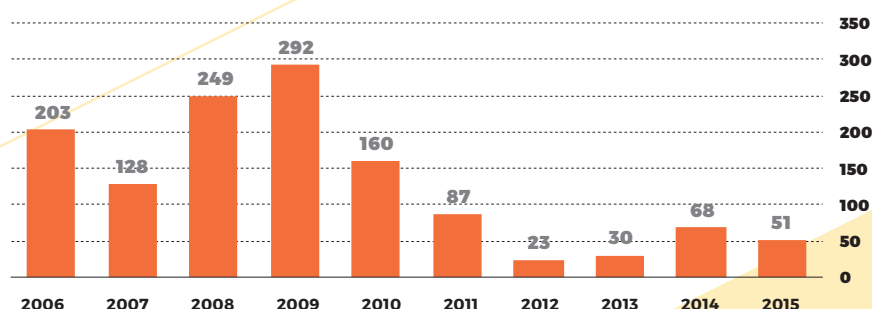
BudaPart



Magyar Telekom HQ

New office space delivered in Budapest (thousand sqm)

Source: BRF, Portfolio Property Forum



mand and record-low vacancy – will continue at least until the end of the year. It is yet unknown how market sentiment might change when tenants move into large BTS schemes currently under construction, thus putting previously occupied office space back on the market,” says Norbert Schömer, Deputy CEO (Office Portfolio and Developments) at WING, which is in charge of developing Magyar Telekom’s new headquarters, the largest single office building in Hungary in terms of GLA. “Developers have announced a number of speculative projects in the past couple of months. Probably the most important question of the near future is which developers are brave enough to actually start construction and which projects can secure financing from banks without being at least partly pre-let.”

“I think that the memories of the financial crisis and its effects on the property market still live on in decision-makers’ heads and they will be very careful when giving the green light for speculative constructions. I hope that the optimism characterising the market – which a year from now might be as strong as it currently is on the residential market – won’t turn into over-optimism, because we have all learnt the hard way where that leads us,” Norbert Schömer continues. “All in all, I think that today we are without a doubt in the rising stage of the property cycle and we haven’t reached the peak yet. How long this expansion period will last, however, depends more on Hungarian and European macroeconomic developments than on the property market itself.”

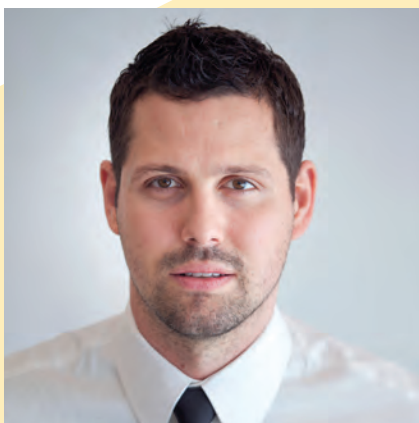
Future supply on the Budapest modern office market

Year	Quarter	Submarket	Name	Developer	GLA (sqm)
2016	Q3	Váci Corridor	V17	WING	12,350
2016	Q3	Váci Corridor	Nordic Light (1st phase)	Skanska	6,600
2016	Q3	North Buda	Buda Loft	private	2,320
2016	Q3	Váci Corridor	Nordic Light (2nd phase)	Skanska	19,600
2016	Q4	Central Pest	Corvin 4 (Nokia HQ)	Futureal	25,000
2017	Q1	North Buda	Graphisoft Park SAP building	Graphisoft	8,000
2017	Q1	Central Pest	Markó Office Building (renovation)	private	2,700
2017	Q3	South Buda	Office Garden 3	GRT Group	18,510
2017	Q3	Váci corridor	Business Center 99 (renovation)	CPI	7,709
2017	Q4	South Buda	Magyar Nobel-díjasok Kutatás és Fejlesztés Park I	WING	24,000
2017	Q4	Váci Corridor	Váci Greens D	Atenor	14,000
2017	Q4	Váci Corridor	Promenade Gardens	Horizon Development	25,000
2018	Q1	Váci Corridor	Advance Tower	Futureal	11,300
2018	Q1	Váci Corridor	White House	GTC	24,890
2018	Q1/Q2	South Buda	BudaPart (1st phase - building C)	Property Market Ltd	18,000
2018	Q3	Váci Corridor	New district centre (1st phase)	HB Reavis	15,000
2018	N/A	Non Central Pest	New Telekom HQ	WING	55,000
2018	N/A	Central Pest	Corvin 5	Futureal	14,600
2018	N/A	Central Pest	Corvin 6	Futureal	13,100

Source: Eston International, Portfolio Property Forum

Closing the door to the past

OPINION



GERGELY DITRÓY

Commercial real estate manager
Mapsolutions Zrt.

In the 5-6 years after the crisis, the standstill in developments and transactions observed in the areas of both residential and commercial properties, as well as economic uncertainty, pushed the Hungarian property market to a real nadir. Yields skyrocketed, demand stagnated at a low level on both the investor and the tenant side, and any new projects launched had almost exclusively unique conditions, suitably secured for the long term (prelease, often equity). Today, however, all this is over. In 2014-2015 the trend reversed, and in 2016 everything is strongly pointing upward. The situation has improved at such a pace that the office market vacancy rate of around 10% which is seen nowadays is already causing serious problems in certain market segments (multinationals and major companies seeking contiguous areas of more than 2-3 thousand square metres). It is no coincidence that articles have appeared stating, "Budapest is full". This strain will be alleviated in the coming years by newly built modern office

space, if only the growth of the Hungarian economy and foreign companies moving to Hungary does not progress at a faster pace than the developments, which would generate even greater extra demand than the areas being made over. We can only hope that this latter will occur. There are a few objective and subjective criteria which speak against explosive economic growth. These include the domestic shortage of a skilled workforce, which is receiving ever more emphasis, though this is difficult to deal with on its merits from one day to the next, even with every good intention. Budapest, however, is doing well, or at least much better than other parts of the country. Young people, i.e. the new generation, who ever more frequently have special notions and expectations in connection with their working environment and not least with their work itself, mostly favour the modern spaces developed for Budapest (preferably in the city centre). Wages and services all entice the trained workforce to the capital city, though nowadays high house prices and rentals are restraining this process somewhat.

An important development giving cause for optimism is the fact that institutional investors have also returned and various acquisitions of differing sizes have been transacted (e.g. TPG Real Estate, CTP) to the value of almost 1 bn euros just in the first six months of 2016, which is already more than the total volume for 2012, 2013 and 2014 together. The development environment is increasingly attractive, project financing is beginning to find its feet, and there are positive signs from both tenants and investors (whether they be small or large). Of course, golden years need not be envisioned – those will not return so

effortlessly; on the other hand, there is a good chance for predictable and sustainable growth on the Hungarian property market. The upswing of 2016, however, was preceded by 7 years of preparation, of which the last year and a half was highly intensive. This meant that a significant move could be made in the area of new developments, reacting to both tenant and investor requirements. Due to this, around 250-300 thousand square metres of new, modern office space may come onto the market over the next 3 years. A significant proportion of these, however (the largest units), are new buildings of a bts type, developed on the basis of individual requirements. For SMEs, however, who rent smaller offices of a couple of hundred square metres, there are still plenty of opportunities to choose from almost 350 thousand square metres of office space, standing empty but fragmented throughout the capital. Those desiring to rent a larger modern office area of up to 2-3 thousand square metres, however, may be compelled to make significant compromises. The primary reason for this is that even now just a few tens of thousands of square metres of speculative development have been made over, i.e. those not tailored to individual requirements or launched within the scope of a prelease agreement, which is just one or two office blocks, a pretty low proportion compared with the total space of almost 3.5 million. Mechanical diggers are lining up to move some earth in Budapest, however, so leaving the past behind us, the Hungarian commercial property market can look forward to the coming years with even greater confidence.

HIP on Váci Corridor

CPI Human Innovation Program in Balance Office Park

What does a tenant need in an office building? How can its weekdays be made easy? What could a property development company contribute to this?

CPI Hungary launched its new program, wherein a service package was introduced to ease the day-to-day routine of those working in the office block and bring some more colour into everyday office life.

CPI considers creating a human-centred working environment as part of its high-level service offered to tenants. CPI is convinced that a reception in a 21st century office building should not undertake operational and security tasks only.

The focus of this novel approach is CPI's Human Innovation Program with the aim of facilitating the everyday of the employees working in the offices.

Some elements of this service have already appeared; e.g. the farmers' market organised earlier met with great success. The full program was first introduced in the completely renovated Balance Office Park located on the Váci Corridor.

In addition to the general and routine services of a reception, a landlady – as a personal assistant – helps tenants with settling all kinds of issues. She organises cleaner's, shoemaker's or motor mechanic's services as well as the administration of official documents, on demand. Taxis, chauffeur service, cinema or theatre tickets, flowers, fruit baskets, healthy food or even a business lunch can be ordered with her assistance. Within the frame of the program facilitating to maintain the health of the employees and their feeling of comfort, health checks will be repeatedly organised and a separate room will help with their relaxation where among others, massage, yoga and spinal exercises will be regularly held.

Employees of the tenant companies can find resting and sports facilities in the 3000 square metre park adjacent to the Balance Building; sporting goods like ping-pong paddles and tennis rackets can be borrowed from the Balance depot. Open-air cinema and jazz concerts are also found among the planned programs serving entertainment and leisure.



CPI
Property
Group

The living workplace



THE BRAND NEW BALANCE LOFT ON VÁCI CORRIDOR Balance Office Park developments

Following trends and continually monitoring the needs of tenants, CPI Hungary pays distinct attention to sustainable and environmentally friendly solutions and the adoption of up-to-date and innovative technologies, as well as to the modern and aesthetic development of space. Accordingly, in 2015, the company decided to begin streamlining office buildings in its possession.

Balance Office Park consists of two buildings, with a total of 15,600 square metres of leasable area.

The park performs well in all criteria of the BREEAM certification, which recognises a special focus of sustainability and environmental design combined with a high level of competence in the BREEAM assessment process.

Within the park, tenants can use the underground car park, bicycle racks with shower room, the in-house restaurant and café, free wifi access in all public areas, outdoor meeting rooms and pavilions, and recreational and sporting possibilities.

Thanks to its good location the park is easily accessible by public transport and has also great access to highways.

Balance Building was the flagship of renovations carried out in line with CPI's new approach as a technically and aesthetically reconstructed building. Interior spaces went through a significant transformation, an imposing interior design offers a new generation working environment.

As the second phase of the development of Balance Office Park, the refurbishment program of **Balance LOFT** has been launched in August 2016. The unique Loft building features the characteristics of an industrial and modern style. The building offers 6,600 square metres of high-tech office space. The renewed building could function as a headquarters or could offer 1500 square metres of flexible and trend sensitive working environment on each floor.



www.balanceloft.hu, www.balancebuilding.hu



Poland: stronger than ever?

THE POLISH PROPERTY MARKET HAS LONG BEEN THE REGION'S FRONTRUNNER AND IT SEEMS LIKE NOTHING CAN SLOW IT DOWN. IN SPITE OF ALL THE FEARS LAST YEAR RELATED TO POLITICAL INSTABILITY AND THE WARSAW OFFICE MARKET GETTING POTENTIALLY OVERHEATED, INVESTMENT VOLUMES ARE UP SIGNIFICANTLY AND DEVELOPMENT ACTIVITY IS STRONGER THAN EVER. PIOTR MIROWSKI, DIRECTOR OF CEE INVESTMENT SERVICES AT COLLIERS INTERNATIONAL POLAND TALKED TO US ABOUT THE COUNTRY'S INVESTMENT MARKET.

ÁKOS BUDAI



? So far over €2 billion has been invested in Poland this year, indicating that 2016 could be a record year for the country in terms of investment volumes. What are the most sought after asset classes?

It seems that 2016 could indeed be another record year, taking into consideration the volume of transactions which are currently in due diligence and/or contract negotiations. Historically office and retail asset classes have accounted for over 85% of the overall volume and I expect this trend to continue in the foreseeable future. However, I must note that other alternatives, such as student / retirement housing are generating more interest, although there is limited availability of product that can be directed to institutional investors. Platform / corporate deals have also been in high demand.

? Are there any segments of the market where investors have to face a scarcity of quality product?

In general, all the prime assets which are placed on the market receive appropriate traction and subsequently trade, therefore given the current depth of the market in terms of availability of product for sale, investors would welcome more opportunities in each asset class, particularly for core properties, given the demand.

? Last year many feared that the Warsaw office market was getting overheated. With annual supply expected to reach a record high level this year, do you expect a consolidation on the market in terms of developments?

The office development pipeline contains numerous projects that are under con-

struction. Given the strong reputation of the developers behind the projects, they are to be delivered in line with the schedule. Naturally, the western extension of the Warsaw CBD is expected to see more office development in the near term as all the largest players are already present in the area, therefore the pricing and liquidity of CBD office properties is predominantly driven by the length of the residual cash flow.

? Over 60% of investment transactions have been closed in regional cities. What are the most popular markets? Is there strong competition between cities?



Back in 2011, 85% of the capital invested in Poland was allocated to Warsaw and the remaining 15% to regional cities. We have witnessed an exact reversal of the above trend in the course of the last two years (ca. 85% of the volume allocated to regional cities), which highlights the fact that Poland as a whole has been underwritten by the international investment community. Investors are more willingly looking into secondary and tertiary markets in search of quality assets. In terms of office projects, Wrocław and Kraków have been the front-runners, but we see increased interest in the Tricity, Katowice and Łódź. Cities compete for new occupiers and it also creates critical masses for investors in terms of the size of the market, one of the criteria which is important when considering the potential of a given city.

? There is also a race between CEE countries to attract investors. In your experience what are the most important factors that are driving investors' decisions when it comes to choosing countries?

Performance of the economy, further growth prospects, level of FDIs and EU structural funding (ca. €105.8 billion allocat-

ed to Poland until 2020), depth of the qualified labour pool, quality of the legal framework, political stability, scale and depth of the domestic market and relative liquidity in the real estate market. Poland has emerged as an undisputed regional leader over the last decade. It is the EU's sixth largest economy, CEE's largest consumer market and the investment gateway to the entire region. Currently Polish real estate investment volumes account for ca. 40% of the overall transaction activity in the region.

? Where are investors coming from? Have there been new entrants to the Polish market?

The geographical composition of the investor pool continues to expand. Historically, German investors have been the market-makers, particularly for core product. Currently the landscape is more diversified, with the most notable group of new investors originating out of South Africa, South Korea and Singapore, both directly as well as through money managers. Successful deals involving investors such as Redefine and Rockcastle have generated more liquidity in addition to increasing the transaction volume and increasing Poland's status as an

established investment destination. In fact, the transaction involving Redefine at ca. €900 million was the largest deal in Europe in Q1 2016. I expect that Polish capital will ultimately become a larger contributor to the market, following the establishment of REIT structures, which are currently in the pre-planning stage and as a result create additional liquidity for the market, which will facilitate its further growth.

? What are your expectations for the next 12 months in terms of investment volumes?

Subject to the availability for sale of real estate product of appropriate quality, the investment volumes are expected to remain strong.

? How have yields changed since the beginning of the year? What are your expectations for the next 12 months?

Yields have contracted meaningfully in selected markets over the last 12-18 months, and I do not expect similar dynamics going forward, rather the market to stabilise. However a further slight adjustment cannot be excluded.

Competition among CEE countries is fiercer than ever

ÁKOS BUDAI

CENTRAL EUROPEAN COMMERCIAL PROPERTY MARKETS ARE EXPECTED TO ATTRACT EVEN MORE INVESTORS THAN LAST YEAR AND THE COMPETITION AMONG COUNTRIES IS FIERCER THAN EVER. WHAT DOES IT TAKE TO CHANGE LONG LASTING PERCEPTIONS AND SECURE THE INTEREST OF INTERNATIONAL BUYERS? ANDY THOMPSON MRICS, DIRECTOR OF INVESTMENT SERVICES AT COLLIER'S INTERNATIONAL TALKED TO US IN BRATISLAVA ABOUT RECENT DEVELOPMENTS ON THE CZECH AND SLOVAKIAN MARKETS.

? How are the Czech and the Slovak property markets doing in the race to attract investors?

I think that the Czech market has always been strong and it is additionally benefiting from the challenges in Poland. The uncertainty created by the Polish government and the oversupply of office stock in Warsaw has encouraged new and existing investors in the region to look at other markets. Slovakia on the other hand has always faced a challenge in terms of getting investors to look at it. I have been trying for the last seven or eight years to get investors who have bought in the Czech Republic to look at Slovakia and it's been difficult. But this is really changing now. There are new buyers like Lone-star, Macquarie and Allianz who have not bought before in Slovakia and there are some others behind them who are looking and want to buy. We have seen a few new entries in the last couple of years, but this kind of interest truly represents a turning point for the Slovakian market. Buyers are coming from different regions via different routes and for the first time ever there's real demand for all types of products.



? What are the most popular investment products?

There is demand across all sectors. Demand for industrial has increased, but the lack of product is a big problem, although to a lesser extent than in the Czech Republic. And it's not just the operators; there are some other pure investors who would like to get into industrial. There are a number of parties who want to buy Bratislava retail but there's really nothing to sell. The regional markets

are interesting, however. Investors typically prefer the number one schemes in the city, but there is also demand for secondary assets. As for offices, it's mostly Bratislava and to some extent Kosice which I think represent good value for money for investors looking for longer term opportunities. Patterns are really similar in the Czech Republic, but the market is deeper and wider.

? It has often been said that Slovakia is too small and too illiquid to be an attractive choice for investors looking to get into the CEE region. Do you think that this perception is changing? What do you think can be done in order to change it?

In my opinion there are three things that can change this perception. The first is having more international buyers in the market, and that's happening. Investors follow other investors, so having these transactions completed will attract more press and more investor interest. The second challenge that Bratislava has had, and it hasn't gone away, is that its office development market is run by three local players. I think international investors would prefer that



there be other developers, ideally international developers here. Some international developers looked, but limited stock has been developed by them. Hopefully that will change. At least in the last couple of years, some other Slovakian developers have started to develop in the market so that is a good start. The third part is the transparency of the market, which I think has become more attractive for international investors. It's improved with new transactions, with international interest and with agents being much more involved and active, and maturity is definitely approaching.

? Do you think that in the longer run there is room for more investors and developers in secondary Slovakian cities?

I had a very interesting discussion with a recruitment company a couple of days ago about this topic. Retail happens anywhere, right? If there is a catchment area and the occupancy-cost ratios are attractive, shopping centres work. Then it's an investment product and there are buyers for that investment product. Industrial is mostly focused around Bratislava but there's also institutional interest outside Bratislava, so

that's moving in that direction. So for retail and industrial, the supply and demand is in place. For offices the challenge is more of an HR challenge. The BPOs and the SSCs that are driving the demand for office space could be attracted to the regional markets, but they need to then make sure that they have the right calibre people coming out of the universities to staff these centres. And that means language skills. In lots of regional cities in the Czech Republic and Slovakia these occupiers can't get the language skills from the undergraduates and in many cases not even from the graduates. That is the limitation across the region and that is why Budapest, Bratislava and Prague are so dominant in this market. Kosice is maybe an atypical example because, like Brno, it has a very strong technical university and a lot of the occupiers who are growing there are from the IT sector. Outsourcing is also helped by international flights: if you are a regional city and no one can get there, then it's difficult for you to have a case to present to Paris or London and say that you want to have a shared service centre there.

? How do you think yields will change over the next 12 months?

It's difficult because you always compare the current situation with what happened at the height of the last boom, but bond yields were very different then. I don't think that there's much more compression to go in the Czech Republic, although it's really dictated by the weight of money and where else you can get yield. In Slovakia there's definitely yield compression; there's no reason why there should be a 200 bps difference between an office building here and an office building in Prague. I don't think there is much of a difference in country risk rating, it's only about liquidity and in some of these markets there are less and less differences in liquidity.

? What are your expectations for 2016 investment volumes in Slovakia and the Czech Republic?

Looking at what's under offer or close to being under offer I think that the final numbers will be 400-500 million euros for Slovakia and 2-2.5 billion euros for the Czech Republic. It may come in at substantially above that depending on some major transactions and portfolios, but I doubt it will be much less.

Beyond Bucharest : potential in Romania's regional hubs

IONUT OPREA

ROMANIA HAS SIGNIFICANTLY STRENGTHENED ITS POSITION AS A FAVOURABLE INVESTMENT DESTINATION WITHIN CENTRAL & EASTERN EUROPE, AND UNLIKE OTHER COUNTRIES IN THE REGION, THE ROMANIAN PROPERTY MARKET IS NOT ENTIRELY DOMINATED BY ITS CAPITAL CITY. ALTHOUGH INVESTORS AND DEVELOPERS ARE MOST ACTIVE IN BUCHAREST, SECONDARY AND EVEN TERTIARY CITIES HAVE A LOT OF POTENTIAL AS WELL, AND SEVERAL COMPANIES HAVE DECIDED TO EXPLORE WHAT THESE REGIONAL HUBS HAVE TO OFFER.

RETAIL ON THE RISE

The total investment volume on the Romanian property market for H1 2016 was over €359 million, the highest level in five years. According to a report by CBRE Romania, the top five investment transactions recorded during H1 2016 account for over 80% of the total investment volume. Although a large number of the assets transacted are located in Bucharest, one of the largest single asset transactions of the last few years was recorded outside of the capital. This June, Shopping City Sibiu, a retail park worth €100 million, was acquired by New Europe Property Investments (NEPI) from Argo Capital Property. Not only investors, but developers also see Sibiu's potential. Primavera Development, a Bucharest-based company has recently announced the restart of the €70 million Festival Shopping Center project, the city's first centrally located shopping mall, with 44,000 sqm of rentable area. Inauguration is scheduled for H2 2018.

Only one large retail project was completed in Q2 2016 in Romania. The refurbishment of an old department store, Mercur Craiova was executed by SIF Oltenia in the centre of Craiova, the fifth largest city in Romania. Developers announced close to 191,000 sqm of further retail space to be delivered in 2016, supported by the strong growth of

retail sales and consumer confidence. This trend, which is likely to continue in the future, has encouraged retailers to expand. Nevertheless, they remain highly selective when it comes to the locations of their new openings, focusing mainly on well-performing shopping centres.

Over 50 new international brands have opened units in Romania since 2014. Food retailers, which expanded aggressively over the last two years, encouraged by the surge in retail sales of food products, are present in all major cities and are now targeting tertiary cities of under 100,000 inhabitants. One example is Element Development's project in Bistrita, Transylvania. The city of 70,000 inhabitants will have a shopping mall of 15,000 sqm. Shopping City Pitra Neamt, developed by NEPI in the country's Moldova region, will be opened at the end of 2016 and will have a leasable area of 28,000 sqm.

In Timisoara, Israeli real estate developer Plaza Centers has signed an agreement with Auchan for 10,426 sqm of its future mall with 38,000 sqm of retail space, Timisoara Plaza. Alpha Group Investments, an investment arm of Alpha Bank, together with TBE Business Solutions has also decided to invest around €90 million in the "western capital" of Romania. Timisoara Centrum, offer-

ing retail, leisure and office space, is expected to be delivered in 2017.

Looking east, Immochan is already extending Coresi Shopping Resort in Brasov, which was opened in March 2015 with 13,500 sqm in three buildings. A €10 million additional investment will be added to the initial €60 million. AFI Europe Romania has completed the acquisition of a 40,000 sqm plot in the centre of the city, where it will develop a mixed-use project that includes AFI Palace Brasov Shopping Mall and AFI Park Brasov, a Class A office project. The shopping mall will have a total GLA of more than 40,000 sqm. The Mudura family, developer of Lotus Center Oradea, has also announced a new mixed-use project. At first a new shopping centre will be delivered, but Oradea's Lotus Center 2 will have residential and office components as well.

OFFICE BOOM IN REGIONAL CITIES

By the end of 2015 the total office stock in regional cities was 20% higher than in 2014, and in the first six months of this year another 47,500 sqm became available on the market. Estimations are that in the next 18 months an additional 165,000 sqm will be delivered outside Bucharest and that by the end of 2017 the total regional stock will



Vox Technology Park, Timisoara

reach 800,000 sqm. Demand was 25% higher in 2015 than the year before. Developers such as Iulius Group, Ascenta Management, NEPI, Vlerick Group, Werk Property Group, AFI Europe, TBE Solutions, Tester Group, Multinvest and Transilvania Constructii are investing in extensions or new projects in regional cities like Timisoara, Cluj-Napoca, Brasov or Iasi.

Last year Iulius Group started construction on its mixed-use project, Openville in Timisoara. Over €220 million will be invested in the urban ensemble located in the immediate vicinity of Iulius Mall Timisoara, making it the largest infusion of private capital in the real estate industry in western Romania. Openville will bring together office, retail, park and entertainment functions. This is the second mixed-use project in the company portfolio alongside Palas Iasi. The first Class A office building, United

Business Center 2 (UBC 2), offering 18,000 sqm on 11 floors, will be completed by the end of 2016. By the same time, the company will also open a total of 33,000 sqm of office spaces. The first development stage of the Openville ensemble will be completed during the last quarter of 2017 and will comprise 80,000 sqm Class A office spaces, retail spaces and the park. The second development stage includes the development of office spaces up to a total of 131,000 sqm. The latest announced project for Timisoara is Werk Property Group's Vox Technology Park, a Class A office building featuring 26,000 sqm of rentable office space. The building will provide the largest floor surface available in a commercial building in the Timisoara region upon its completion in December 2017. Ovidiu Șandor has also announced a new office project for Timisoara, scheduled to be delivered in 2018.

In Brasov, Ascenta Management and Build-Green have joined forces for the BREEM certification of the second phase of Coresi Business Park, comprising three low-rise office buildings. The first building is already built, while the other two are currently under development. Coresi Business Park is developed on the former Tractorul industrial platform in Brasov. The scheme is one of the major urban regeneration projects in Romania, transforming 12 hectares of the old manufacturing plant into a contemporary business environment. The initial phase of Coresi Business Park consists of approximately 25,000 sqm. The master plan of Coresi Business Park features a mix of industrial halls, office conversions and newly built offices, envisioning 100,000 sqm of GLA within 10 years.

NEPI and entrepreneur Ovidiu Șandor have begun the construction of the third and last



AFI Palace Brasov Shopping Mall and AFI Park Brasov

phase of the largest office complex in Cluj-Napoca, called The Office. 18,500 sqm are scheduled for completion in Q2 2017. The entire complex will include a total rentable area of 59,185 sqm upon its completion. Also in Cluj-Napoca, Liberty Technology Park, a Fribourg Capital initiative under the patronage of businessman Ion Sturza, has recently reached a 90% occupancy rate. Although the second phase of extensions have been finalised in 2015, the developers have further extension plans.

Iasi, the largest city in Eastern Romania, is also gaining more and more interest from investors and developers, partly thanks to the large number of employees in the IT/outsourcing sector. Two large projects have been completed in the past years. Palas Iasi was developed by Iulius Group and Iulian Dascalu. Tester Group and entrepreneur Bogdan Pitigoi have developed Ideo Business Center and Tester Technology Park. New projects will be launched soon.

BREAKING NEW GROUND

Several developers have announced new projects in Romania, driven by the strong demand for industrial space. Regional markets are attracting more investments and an increasing number of developers add speculative components on top of space secured through large pre-leases.

This year marked the entry of one of the biggest investment funds in the world, Blackstone, into Romania. Three Romanian assets have been purchased from Immofinanz as part of a portfolio deal and now

they are a part of Logisor, Blackstone's European logistics platform. Another major player, Panattoni Europe also decided to enter the Romanian market last year, initially focusing on BTS developments.

One of the biggest players on the market, CTP has increased its strategic investments in Romania. The company is currently constructing two facilities in Bucharest and is also active in regional cities. CTP is currently preparing groundworks for a facility for an expanding client in CTPark Sibiu. In Cluj-Napoca, CTP is constructing a 19,000 sqm

“Regional markets are attracting more investments and an increasing number of developers.”

facility for Romanian retailer, Profi.

Last year, developer Zacaria Group doubled its portfolio of industrial warehouses in Romania, surpassing 140,000 sqm of rentable area. The company is now developing an additional 107,000 sqm of industrial space in Sibiu, Craiova and Cismadie. The Group's investors, Alf Mizzi & Sons from Malta, now own and operate 10 industrial projects located in 7 major cities across the country.

Timis County, having an unemployment rate of only 1.4%, is a popular choice among developers. One of them is Bardeau Imobiliare, the developer of Banat International Business Park. Artemis Real Estate, the Romanian subsidiary of Swiss group Artemis Holding AG, is also active in the coun-

ty, owning over 125 ha of development land. They have recently made a move from investor to developer and have now finished infrastructural preparations in Sanandrei. Having negotiated a contract for 10 years, construction is now underway with delivery scheduled for the beginning of 2018. The company is accelerating projects in Giarmata and near Timisoara Airport as well.

Cluj-Napoca, in the centre of Romania, is also an area that attracts a lot of interest for new developments and demand is very high for industrial space. Transilvania Con-

structii, a developer with Transilvania Logistic Parc in its portfolio, is currently building a speculative 17,000 sqm warehouse in Jucu near Cluj-Napoca, on 16 hectares of land, as part of the TRC Park project.

Helios Phoenix, developer of the Olympian Parks network, has also announced a new 43,000 sqm project in Jucu, Cluj county. The first phase of 13,000 sqm is to be finalised this year. The company also has plans to acquire land in Bacau or Iasi for new Class A warehouses and to extend its existing facilities in Brasov and Timisoara by 20,000 sqm this year.

The author is the Publisher of 2016 /2017 Yearbook: Office, Logistic and Industrial Parks in Romania

SPECIALIST IN OFFICE PROPERTIES



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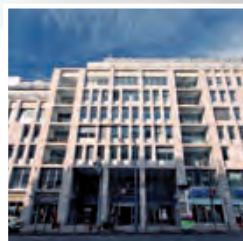
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◆ R70 Office Complex



◆ City Gate Irodaház



◆ Bartók Ház



◆ IP West



◆ Infopark A

CA Immo is a specialist in office properties in Central European capitals, which controls a high quality real estate portfolio in Germany, Austria and Eastern Europe. Its core business involves letting, managing and developing office buildings. Founded in 1987, CA Immo shares have been listed on the Vienna Stock Exchange since 1988. The company started expanding into the CEE Region in 1999 by acquiring properties in Hungary and the Czech Republic.

Hungary is one of the core markets of **CA Immo**. **CA Immo's** property portfolio in Hungary is mainly located in Budapest. **CA Immo** is invested in large and medium-sized office properties in Budapest in favorable locations in different submarkets in the capital both of Pest and Buda side. Every property has an excellent accessibility to public transportation as well as individual features. Moreover, **CA Immo** focuses on sustainability – almost all buildings of the Hungarian portfolio have been awarded gold certification in accordance with LEED standards.

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URBAN
BENCHMARKS.

What's ahead for Bulgaria?

ÁKOS BUDAI

INTERNATIONAL INVESTORS SEEM TO HAVE REDISCOVERED ONE OF THE BIGGEST AND MOST IMPORTANT MARKETS OF SOUTHEASTERN EUROPE, THAT HAS MATURED A LOT OVER THE PAST FEW YEARS. MICHAELA LASHOVA MRICS, CEO OF FORTON (AN ALLIANCE PARTNER OF CUSHMAN & WAKEFIELD FOR BULGARIA AND FYROM) AND RICS SEE AMBASADOR TALKED TO US ABOUT THE PRESENT AND FUTURE OF THE BULGARIAN COMMERCIAL PROPERTY MARKET.



How has investor interest for Bulgaria changed over the past year?

Investors have rediscovered Bulgaria as one of the top-performing economies in Europe and as a commercial property market with solid growth potential. This puts the country back on their radar as property buyers seek higher returns and are looking for new opportunities outside the core markets. Bulgaria is attractive due to its improving macroeconomic indicators: GDP growth ahead of the Eurozone and above the average in the CEE region, lower inflation, currency stability, increasing consumer spending and wage growth supported by improving housing and labour markets, falling unemployment, etc. With regard to the commercial property market, Bulgaria offers growth potential in terms of size, strong demand and rent increase. Yield levels are expected to further decrease since, as of now, risks and growth are not properly appreciated. I believe that the Bulgarian market has significant growth potential thanks to high product quality with rebalanced rent levels.



In your opinion, which segment of the market currently offers the best opportunities for investors?

The market today, being in a more matured phase, offers opportunities in all segments. There is core product in the office and retail submarkets suitable for institutional investors. The office segment in Sofia, for example, shows significant potential for worthwhile acquisitions due to performance in cash flow, tenant mix and location. After years of recovery, the market now offers prime product with increasing rents and low vacancy – about 2% for the top performers in Sofia. Although considered saturated, the Bulgarian retail property market registers density below the EU average level and offers attractive opportunities as well. In Sofia and the main cities there are prime shopping centres with a rebalanced rent roll and rent growth potential which could be outlined against the ones in need of restructuring. More opportunistic investors can also find valuable product in all commercial segments – office, retail and industrial. Moreover, the industrial property

market is developing at a fast pace, mirroring the increasing demand and rental growth. With only 2% vacancy and a lack of modern supply, the industrial market in Sofia is interesting for local and international developers as well.

The supply of quality office space in Sofia has been limited for a while now. When can we see new developments?

Indeed, the lack of quality space is a fact at the moment. The requirements of the occupiers have increased and only high quality products in good locations would attract them. That being said, developers are now more careful and banks are cautious in financing new projects, so delivery in the next years is expected to remain behind demand. The shortage of quality space is to be partly overcome in 2017 with the expected completion of more than 110,000 sqm of office space. At the same time, we mustn't forget that part of this pipeline is already pre-let, compensating for the lack of ready-to-move-in prime office space on the market. That considered, we expect slow supply growth in the coming years.



? Due to this lack of space a number of companies have started looking into second-tier markets. Which cities can emerge as new office hotspots? What kind of companies are the drivers of this shift in focus?

IT and BPO companies remain the main drivers of the office market. In most cases these companies have already established operations in Sofia and are looking for second or third locations in the second-tier cities such as Plovdiv, Varna, Burgas, as well as Ruse and Stara Zagora, where skilled manpower and other basic facilities are easily available.

? Plovdiv also seems to be a top choice for shopping centre developers in Bulgaria. What is the reason behind that?

Plovdiv is lagging behind other main cities in terms of shopping space, which is the reason behind the impressive development activity. For now, only Mall Plovdiv with its 20,000 sqm leasable space is under operation, plus there are two other shopping centres under construction or in the process of restructuring. The total supply of shopping centre space will increase to around 40,000 sqm with the completion of Markovo Tepe Mall in the fall of 2016. This is half of what there is in stock compared to other main cities, such as Varna. The renovation plans for the third location, Galeria Plovdiv are still unclear in terms of timing. Nonetheless, Plovdiv is a promising market, being the second largest city in the country. Due to its convenient location, the concentration of manufacturing, logistics and outsourcing companies in the region, as well as the stable increase of wages and salaries, the local retail market has long-term potential.

? Can we expect new shopping centre developments in other cities in the near future?

The shopping centre market seems well developed with dominant and struggling ones in each city. For the time being, it is unlikely new shopping centres will be developed. We see opportunities for retail to develop as part of large mixed-use schemes.



National Palace of Culture, Sofia

? Have there been many new entrants on the Bulgarian retail market lately? What sort of brands are the most important sources of demand?

The stable growth of consumption in post-crisis years has put the Bulgarian market back on the map for a large number of international retailers. During that period a wide range of retailers – from fast fashion operators to luxury brands – have made their debut on the local market. International brands such as Mango, Forever 21 and Springfield in the fast fashion, as well as Escada in the upscale class and Philipp Plein among the luxury brands, are worth mentioning. Due to the improving market fundamentals many international retailers are noticing faster turnover increase in Bulgaria compared to competing markets. That's why we expect a lot of large international brands to include our country in their expansion plans for the coming years.

? The industrial market has shown considerable movement this year. What are the main trends characterising this sub-market?

First of all, the industrial segment has huge development potential in terms of

logistics as well as manufacturing spaces. Sofia's market still suffers a lack of speculative logistic space since a lot of the large developments have been frozen during the crisis. The good news is that with rents increasing and vacancy decreasing to around 2% last year, some of the large speculative projects have been resumed and currently about 31,000 sqm are under construction. With the accumulation of prime product the industrial segment is becoming increasingly interesting for international investors. Outside of Sofia the market is dominated by light industry and automotive suppliers that have a preference for both owner-occupied properties and build-to-suit schemes. That's why we have lower rates of speculative stock there.

? As RICS SEE Ambassador you oversee the entire region. How is the future of the Bulgarian market looking compared to other countries in the region?

What we have noticed in the last few years is that buyers moved on from the core to Southern Europe and in 2015 to Central Europe as well. Eastern markets and Bulgaria in particular are next in line. In general, investors are looking for core product in non-core markets, e.g. buildings with inter-

national tenants that offer better returns than similar ones in core markets. Bulgaria now offers such product and due to the increased interest from investors we expect the market to improve in liquidity in the short term. Compared to the region, Bulgaria has better performing office and logistic markets with rental growth and limited vacancy. The retail market has stabilised and rebalanced with growth potential as well. We offer the lowest capital value of prime retail product in the EU. At the same time financing is available at quite attractive levels which results in a spread of 300-350 basis points or more.

? How are you promoting RICS values and practices in the region?

I do believe that market transparency is improving, the quality of the products is higher and the advancement of the profession is faster. My main goal and role is to educate and promote international standards locally so that our market becomes more understandable and transparent to international buyers. For this purpose every year we organise an RICS conference in Sofia, which attracts professionals from the region and international investors that are considering the region.

Airports make cities fly higher

ÁKOS BUDAI

AIRPORTS HAVE BECOME AN IMPORTANT PART OF DAILY LIFE AND THEY HAVE PROVEN TO BE ESSENTIAL FOR THE DEVELOPMENT OF CITIES. GOOD AND FAST CONNECTIONS ARE KEY PARTS OF DOING BUSINESS AND THE LACK OF EFFICIENT INFRASTRUCTURE CAN HINDER THE ECONOMIC GROWTH OF ENTIRE REGIONS. AIRPORTS IN CEE HAVE A LONG WAY TO GO UNTIL THEY CAN SECURE THEIR PLACE ON THE GLOBAL MAP, BUT THEY CAN EASILY IMPROVE THEIR POSITION WITHIN THE REGION. THE IMPROVEMENT OF EXISTING INFRASTRUCTURE, ATTRACTING NEW DEVELOPMENTS AND ESTABLISHING ADEQUATE TRANSPORT LINKS ARE AMONG THE KEY INGREDIENTS OF SUCCESS.



Air traffic plays an important role in international transport and it has increased significantly over the past few decades, so airports have become important factors in the development of local economies. The number of incoming flights and the quantity of passengers and goods arriving to one city has an increasingly large impact on the economy.

Thanks to strict security checks people spend more and more time at the airports, so spending their time comfortably and in a meaningful way have become ever more important. Airports all over the world are doing their best to offer a wider range of entertainment options than ever before. Improving shopping and dining options to meet

changing demand can encourage passengers to arrive earlier and spend some time relaxing at the terminal before departure. Making sure that passengers don't think back on the hours they have spent at airports as a waste of time is only part of the equation, however. Another important aspect of development is the flexibility of the

The biggest players

Central and Eastern Europe's busiest airport is located in Vienna: VIE handled nearly 23 million passengers last year. Other capital cities in the region are served by much smaller airports: Prague, Warsaw, Budapest and Bucharest all welcomed between 9 and 12 million passengers at their airports in 2015. Belgrade has the only other airport in CEE that is one of Europe's 100 busiest, handling less than 5 million passengers last year. Unlike Vienna which offers the widest range of destinations, including several long-haul flights, the other four airports rarely serve destinations outside of Europe and the Middle East and are highly popular among low cost airlines. These companies have established several operating bases in the region over the last few years, and are responsible for a significant portion of air traffic growth in Central and Eastern Europe. The expansion of low cost airlines has also significantly increased traffic at secondary airports in CEE countries. Although usually the main purpose of these flights is to connect workers in Western and Northern Europe with their home regions, they still offer a bundle of development opportunities for these cities.

airport infrastructure, which should also apply to the structure of the buildings. It is important for the buildings to be able to adapt to the ever changing requirements both in terms of size and function.

AMBITIOUS PLANS

All the major airports within Central and Eastern Europe have plans to expand their infrastructure. Like most airports in the region, Vienna International Airport has made it a priority to prepare for further increases in passenger traffic. An additional, third take-off and landing runway is in the planning stages.

Prague Airport is also working on increasing the terminal's capacity with passenger numbers expected to reach 24 million a year by 2024. The most important ongoing project is the construction of a new parallel runway which is currently in the preparatory stages. In Bucharest a new terminal building (Henri Coandă 2) is envisaged, but very few details are known at this stage.

Warsaw Chopin Airport, which handles nearly 40% of Poland's air passenger traffic, finished the modernisation of Terminal A last year. The airport is now ready to accommodate up to 25 million passengers an-

nually, so the main focus is on passenger experience enhancements.

Budapest Airport has recently announced that it is going to build a new logistics base for DHL Express. A large warehouse and office complex totalling 13,000 sqm will be erected near Terminal 1 of the airport. The construction of the new facility is an integral part of the airport's BUD 2020 development program, which envisages ca. EUR 160 million for airport development over the next five years. One of the most important elements of the program is the new pier B. Numerous priority projects such as the airport hotel as well as a series of logistics and security developments are also to commence soon. A new terminal building is also under consideration.

QUICK LINKS ARE ESSENTIAL

Great accessibility is just as important as the quality of the infrastructure within the airport itself. The most popular airports in Europe all offer quick and convenient railway



BELGRADE

AIRPORT
Belgrade Nikola Tesla Airport
NR OF PASSENGERS (2015)
4 776 110
CHANGE OVER 2014
3.0%
RANK (EUROPE 2015)
87



BUCHAREST

AIRPORT
Henri Coandă
International Airport
NR OF PASSENGERS (2015)
9 274 629
CHANGE OVER 2014
11.5%
RANK (EUROPE 2015)
52



BUDAPEST

AIRPORT
Budapest Liszt Ferenc
International Airport
NR OF PASSENGERS (2015)
10 298 963
CHANGE OVER 2014
12.5%
RANK (EUROPE 2015)
49

links to the city centre, but this is rarely the case in CEE. Currently only Vienna International Airport and Warsaw's Frederic Chopin Airport are directly accessible by rail. However, a single line connecting the airport and the city centre has proven to be insufficient to attract a desirable amount of passengers in both cases.

Vienna has decided to connect the airport branch with the main branch, so now several long-distance trains, both domestic and international, call at the airport station and

Budapest intends to follow in the footsteps of Vienna by building a branch line to the airport that would connect to Hungary's most important eastern mainline at both ends. The project would make Budapest Airport directly accessible not only from the heart of the capital but from all major cities in

WARSAW

AIRPORT
Warsaw Chopin Airport
NR OF PASSENGERS (2015)
11 206 700
CHANGE OVER 2014
6.0%
RANK (EUROPE 2015)
42

PRAGUE

AIRPORT
Václav Havel Airport Prague
NR OF PASSENGERS (2015)
12,030,928
CHANGE OVER 2014
7.9%
RANK (EUROPE 2015)
40

VIENNA

AIRPORT
Vienna International Airport
NR OF PASSENGERS (2015)
22 775 054
CHANGE OVER 2014
1.3%
RANK (EUROPE 2015)
24

the service is expected to be extended to other regional destinations. Warsaw's airport station is served by suburban lines that offer connections to several destinations within Mazovia, including the capital's secondary airport, Warsaw Modlin.

Eastern Hungary and later on possibly from other regional centres in the western part of the country.

Prague has long planned to extend one of its metro lines to the airport but instead has decided to build a new branch line, thus establishing a direct connection with a centrally located suburban station. Both the Czech and the Hungarian government intend to secure EU funding and start construction within the current financing period that ends in 2020. Bucharest Airport is served by a railway station that is located 900 metres from the air-

port itself, which means that passengers have to change to a shuttle bus. There have been plans to move the station closer to the airport in order to make this journey more comfortable, but now the construction of a new metro line between the airport and the city's main railway station seems more realistic.

Improving transport connections is important for air passengers as well as air cargo, as it can increase traffic in both categories. But this is not the only reason why establishing fast links between airports and urban centres is essential. The proper infrastructure can improve the availability of workplaces in the region, which might encourage new economic entities to relocate to the area, as well as provide new opportunities for the companies already operating there.

Ambitious long-term plans at Budapest Airport

ÁKOS BUDAI

THE BUDAPEST COMMERCIAL PROPERTY MARKET HAS SEEN A REAL TURNAROUND OVER THE PAST TWO YEARS. DEMAND IS EVIDENTLY STRONG FOR QUALITY OFFICE AND LOGISTIC SPACE IN MANY PARTS OF THE HUNGARIAN CAPITAL, INCLUDING ITS AIRPORT. BUDAPEST AIRPORT HAS AN AREA LARGER THAN LONDON HEATHROW AND AMBITIOUS LONG-TERM PLANS THAT AIM TO ATTRACT A WIDE RANGE OF COMPANIES, INCLUDING CARGO AND LOGISTICS OPERATORS. RENÉ DROESE AND RÉKA SEBESTYÉN, RESPONSIBLE FOR THE PROPERTY BUSINESS OF BUD, TALKED TO US ABOUT THE AIRPORT'S DEVELOPMENT PLANS.

? Budapest Airport and DHL Express have recently signed an agreement about the development of a new logistics base in August. Are there other large deals on the horizon?

R. S.: DHL is a long-time partner of Budapest Airport. DHL Express has had daily operations at the airport for almost 25 years. Now we have decided to upgrade their landside facility by building a 13,000 sqm warehouse, office and manoeuvring area exclusively for DHL Express, right next to the cargo apron around Terminal 1. This will allow them to improve their services to customers and to further increase their operations. Nowadays they operate a daily flight of an Airbus A300-600F between Leipzig and Budapest and another flight between Brussels and Budapest executed by a Boeing 737 freighter. Furthermore, DHL Freight and DHL Global Forwarding have also been based at the airport since 2014 and have been operating here successfully.

R. D.: We will develop yet another modern warehouse-office-manoevring area complex for another integrator whom I cannot name right now. This construction



Réka Sebestyén and René Droese

has been going on since mid-July and will be approximately the same size as the neighbouring DHL Express facility, a huge construction site of more than 60,000 sqm. In the upcoming months we will disclose more details about this project. Both facilities will be operational by the summer next year. Having secured these two integrator projects with construction ongoing, we are focussing on restarting the

Cargo City project planned in the vicinity of Terminal 2. This area is an ideal location for long-term cargo development between Highway 4 and the airport. Here we foresee a complex with office and warehouse space to serve dedicated cargo airlines and the so-called belly cargo business, a project that was postponed after Malév's bankruptcy in 2012. Our cargo volume has already increased by 14% this year compared to the



ibis Styles Budapest Airport Hotel



DHL Express facility

same period of last year – at a rate far above the European average – and we expect 2016 cargo volume to be the highest on record in the history of Budapest Airport. The daily flight of Emirates with a Boeing 777 between Dubai and Budapest offers up to 15 tons of belly cargo while the weekly four Air China flights offer another 12-ton capacity to both Hungarian and Chinese companies to deliver their products. Interestingly enough, this Air China flight is fully booked on the outward leg of the flight from Budapest, showing the export capacities of local enterprises. For this project we focus on cargo handling companies but the classical forwarding companies are very much interested too.

? The construction of a hotel at the airport has been planned for years. What has changed that made you give the green light to the project?

R. D.: We had to find the right moment in time and the airport has had to reach a “critical mass” of passengers to be attractive for hotel operators. Last year we had a record number of passengers, passing the 10-million per year threshold (actually it was 10.3 million), and this year we look forward to setting another record with over 11 million people arriving in and departing from Budapest. We have just announced the start of the hotel project and within a year

and a half we will see the so-called “soft start” of hotel operation. The development of the hotel needed the close cooperation of Budapest Airport by preparing the ground and infrastructure for the developer, WING Zrt. We will have a 145-room hotel within walking distance (under covered walkways) from Terminal 2 with conference and dining facilities run by the Accor Group, under the brand name of ibis Styles Budapest Airport Hotel. It will serve the needs of business people, conference organizers, and tourists coming for city-breaks in Budapest perfectly, and also the companies surrounding the airport and the crews of overnight flights.

? The new DHL Express facility and the new hotel are part of the airport's BUD 2020 development program. What else will be implemented within the next four years?

R. D.: First of all I have to mention the new Pier B that will be constructed at Terminal 2B to serve the increasing number of non-Schengen flights. We need this facility a lot since most of our long-haul flights dock their aircraft here and we have seen the most robust increase in traffic demand in this area. The new Pier B will be able to serve up to 10 aircraft (of the Boeing 737 or Airbus A320 families) at the same time and/or 7 smaller narrow-body aircraft and 3 wide-body jets. Having in mind the changing service demand of different airlines we have planned maximum flexibility in the new pier. Every gate will be able to offer direct boarding bridges, bussing of passengers, and walk-on/walk off boarding depending on the profile of the individual airline. At the same time, additional check-in desks will also be implemented in Terminals 2A and 2B.

R. S.: We will also continue the development of our Airport Business Park, perfectly located and highly visible next to the airport express road between Terminal 1 and Terminal 2, mainly with a mix of office and warehouse space. Altogether Budapest Airport plans to invest up to HUF 50 billion (over €160 million) over five years under the airport development program called BUD 2020.



Holiday-home markets in the region

TÜNDE MADUROVICZ-TANCSICS

HOLIDAY MAKERS CAN CHOOSE FROM A NUMBER OF SEA COASTS IN CENTRAL EASTERN EUROPE, AND ALTHOUGH THE SEASON IS GRADUALLY COMING TO AN END, IT IS STILL NOT TOO LATE TO BUY A HOLIDAY HOME. THE RISE IN HOUSING PRICES AFTER THE CRISIS HAS NOT LEFT COASTAL AREAS UNAFFECTED, SO A SIGNIFICANT PRICE INCREASE HAS ALREADY OCCURRED IN CERTAIN PLACES, WHICH MEANS THOSE WHO TOOK ACTION EARLIER HAVE DONE WELL.

Despite of the increasing price we could still be in time in several locations, but looking over the trends we should presumably not wait too long before making a purchase, as before next season, a great deal more will probably need to be paid for a holiday home.

Of the holiday-home markets in the region, we have put Cyprus, Malta, the sea coasts of Croatia, Bulgaria and Romania, and the Balaton lakeshore under the microscope. The slump in the housing markets in Croatia and on Cyprus is only now approaching its

end. The prices are still very low compared with those before the crisis, but in the case of Croatia they began to rise from the second quarter of last year. At the same time, the prices on Malta began to increase in 2013 and by 2015, over 6 percent more had to be



Holiday-home prices in the region

Location	Housing price (euro/sqm)
BULGARIA	
Varna	1745
Burgas	1617
MALTA	
Malta	3500
CROATIA	
Dubrovnik-Neretva	2487
Split-Dalmatia	2125
Seaside-Mountains	1855
Zadar	1812
Šibenik-Knin	1741
Istria	1737
Lika-Senj	1730
CYPRUS	
Limassol	1790
Nicosia	1638
Paphos	1200
ROMANIA	
Constanța	967
HUNGARY	
Balaton – immediate lakeshore area	410
Balaton – broader zone	530
Balatonfüred, Siófok	1160-1330

Source: BIS, Globalpropertyguide, Numbeo, realestatecroatia.com, otthonterkep.hu, Portfolio

paid for homes, and housing was already more expensive than before the crisis.

On the Adriatic coast in Croatia the change in average house prices was still negative last year, but some growth began in the second half of the year, which then continued in the first half of the current year. For the time being, therefore, it appears that the ice has finally broken, the market will not turn back. If anyone wants to buy a holiday home in the region they should act now, if they do not want to miss out on the best offers. Prices at present fall short of the pre-crisis maximum by more than 16 percent. The growth could continue, however. The improvement in the economic situation and the return of foreign investors are both affecting the holiday-home market in this direction. If we assume that prices will rise back to the 2008 level in the next couple of years, or we add that a good couple of percent profit can be acquired from letting the property, buying a holiday home on the Croatian coast may seem a pretty good investment.

In the case of Cyprus, the slump in prices has not completely ended. At the end of the first quarter of 2016, 25 percent less than the 2008 price level had to be paid for prop-

erties. At the same time it could be encouraging that when adjusted to changes in the price level, a slight increase in real housing prices was observed in 2015.

In Hungary, it is Lake Balaton which is interesting from the holiday-home market angle. There, prices leapt considerably last year, the price increase being around 20%, so those who took action last year and bought their holiday homes did very well. Compared with before the crisis, buyers encountered 9.6 percent lower prices in the broader holiday zone, whilst in the micro-regions immediately along the shore, the difference was just 6.7 percent. The rise in prices is expected to continue this year, but at a slower rate of increase.

EXACTLY HOW MUCH MUST BE PAID?

In Romania, a huge slump in prices from 2008 onwards was typical of the country as a whole, and of the sea coast as well. Whilst in 2008 average prices in Constanța ranged between 1500 and 1600 euros, at the end of the first half of 2016, the specific price did not even reach 1000 euros, according to BIS data.

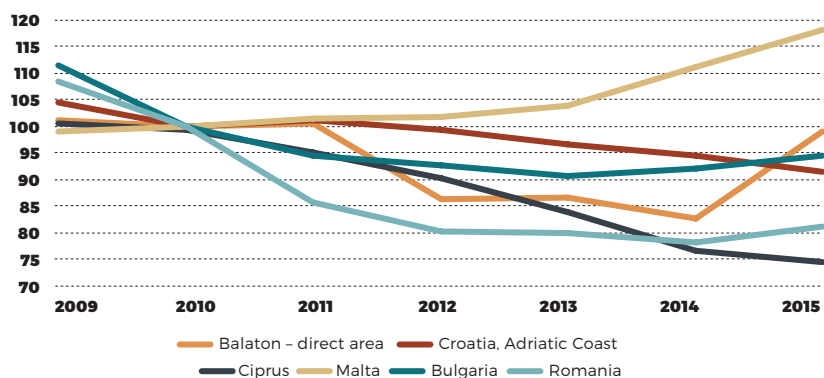
In Hungary, as mentioned above, Lake Balaton had undergone a significant price rise in 2015, which continued in 2016, but even so, a holiday home can be purchased here at the lowest price by far compared with Malta, Cyprus and Adriatic coast prices. In some cases, however, holidaying is still cheaper on the Romanian coast. Last year, in the more distant environment of the lake, the specific price calculated with the simple mean (the simple mean of the micro-regions, without weighting) was 410 euro/sqm, whilst in the micro-regions immediately along the lakeshore was 530 euro/sqm. In the most expensive micro-regions, such as Siófok, Balatonfüred, Fonyód and Hévíz, the specific average price was in the region of 670 euros. Although it should be added that in hot spots, like the whole of Siófok and Balatonfüred, home prices can far exceed the average for the micro-region, even approaching 1160-1330 euros.

Although in the case of Cyprus, as mentioned earlier, property prices are more than 25 percent lower than at their peak in 2008, they considerably exceed those to be paid by Lake Balaton and on the Romanian coast. Prices range between 1200 and 1800 euros



House price trends in CEE

Source: BIS



Average villa net price

Area	Price for villas (thousand euro)
Rovinj (Istria)	350-550
Porec (Istria)	400-600
Opatija	450-650
Novalja (Pag)	450-650
Brac Island	450-650
Hvar Island	500-700
Makarska	350-550

Source: Colliers International, Portfolio

for a downtown, premium quality property according to data from Numbeo; of the locations investigated, the least has to be paid in Paphos, whilst Limassol ranks as the most expensive.

Along the Adriatic Sea in Croatia too, those wishing to purchase a holiday home will have to dig deep into their wallets. Even in Lika-Senj County, which ranks as the cheapest, the average specific price amounts to 1539 euros for houses, and even more than this is asked for apartments, 1730 euros. In the Dubrovnik district, ranked as the most expensive, the average price of houses reach-

es 2006 euros, and for apartments, average prices are in the region of 2487 euros.

Much more than the above must be paid, however, if you want to buy a premium villa by the Adriatic. One-room studio apartments start from 170 thousand euros, whilst 1 million euros is asked for top penthouse holiday homes. Average prices ranged between 350 and 550 thousand euros even in the cheapest cases of Makarska and Rovinj, whilst on Hvar Island prices rose to between 500 and 700 thousand euros on average in 2015 according to the Colliers study. The villas are bought predominantly by foreigners,

the highest proportion of international buyers being represented by Slovenes with a ratio of 43 percent, with those coming from Germany, Italy and Austria in second place with a 35 percent share. According to expectations, the demand from rich European buyers could continue to grow. Croatia ranks as an attractive option among those seeking a second home, chiefly due to new developments.

Although Croatia cannot be reckoned cheap with its average prices, Malta leads the field sky high, with square metre prices exceeding 3500 euros.



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Magic apps on the property market

PÉTER FUTÓ

The advance of technology is making things easier in an increasing number of areas of everyday life. This is no different in the case of services related to our homes, where in recent years countless new options have appeared. This is clearly demonstrated by the fact that a significant proportion of houses now under construction is being advertised as smarthomes, but countless new applications also exist in the area of services related to the property market, which make everyday life easier for home buyers, owners, or other property market players. In connection with this, we looked at what options there are to choose from. It is chiefly in the United States where we encounter applications which connect and

simplify the steps of the property purchasing process, as well as making life for buyers and sellers safer, more transparent, and in certain cases, more cost effective. Here is a brief discussion of such applications.

WHERE IS TRANSPORT THE BEST?

Trulia is an online real estate advertising site active in the United States. Its newest service 'RentNearTransit' connects public



transport information in American cities with the prices of available housing there. You can therefore quickly find out how advantageous the location of a certain neighbourhood is from a public transport perspective, and which of the houses there are available at the most favourable prices. On this basis, an employee who does not know the city may decide against a part of town picked out in advance, and move elsewhere instead due to the more favourable public transport connections, and possibly lower housing prices.

DID YOU LIKE THE HOUSE? VIEW IT NOW!

It can happen in many cases that a buyer first looks around a neighbourhood to find out about available housing and the atmosphere in that part of town.

The '10MinRealty' application may be ideal for such a person, as it gives information in real time on estate agencies in the district. If you spot a house for sale in the district which seems attractive, you can view it at once. This is also assisted by the fact that the agents registered in the system share their properties amongst themselves,

so it is not necessary for the commissioned agent to be present. Another agent can also show you the house.

IN CASE OF DANGER, PRESS THE BUTTON

The 'bSafe' application serves the personal safety of estate agents. In case of a possible attack, the system sends an alarm from any agent in the network. Services similar to this are provided by a number of market players, including but not limited to the 'GuardlySafetyApp', the 'Secure Show' or the 'CUFF', as well as the 'Stiletto' options offering smart jewellery. These last two companies enable wearers of the jewellery they offer to activate the alarm in the jewellery at the press of a button in case of danger.

RELIABLE TENANT, RELIABLE LESSOR

For home owners, there are always numerous risks inherent in selecting an appropriate tenant. As a tenant, however, it is difficult to get to know the lessor in the short time before the contract is signed. The 'theRRD' application was created to remedy this problem, as it provides information on the background of tenants and lessors who use it. It therefore becomes easier to make a decision on who to let your home to, and as a tenant, you can get to know the owner of the rented home better.

HOW TO REFURBISH YOUR HOME

The 'Houzz' application is a goldmine for interior decoration and home improvement. Thousands of design ideas and photographs are available to users in the system, grouped according to the

various rooms and prices needed for implementation. Besides this, you can also find experts in your vicinity, who can give you additional help with renovations. The system is used by 10 million people per month at present.

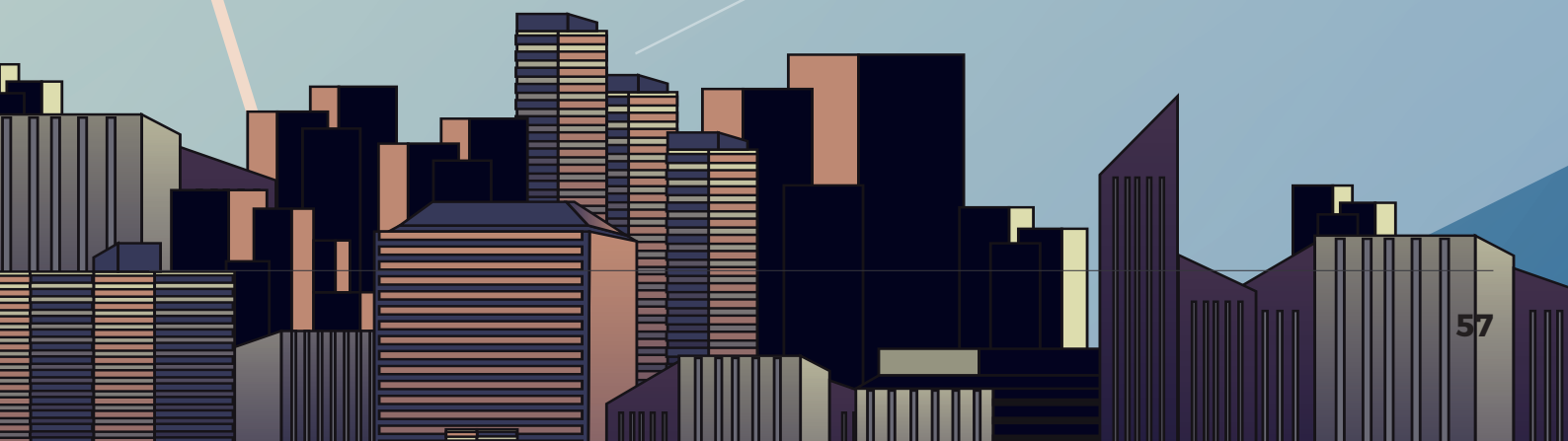
IS IT A NOISY NEIGHBOURHOOD?

With the aid of the 'howloud' application you can check how noisy the selected home will be. Presumably there is higher noise pollution near a busy road or airport, but with the aid of the application you can see precisely what average noise level is to be expected in the given property.

IS A COMPANY REALLY SUCCESSFUL?

The 'Appraisal Flow' application can be advantageous for firms dealing with property valuation. Depending on the number of appraisers in the user company, registration costs between 50 and 200 dollars a month, after which the system will analyse the valuations carried out by the company. Various market trends can be derived from the valuation data, and you can also obtain information on the profits of a company and on changes in quarterly income. The chief purpose of the application is to manage completed valuations and those to be carried out transparently and in one place.

In many cases, the advantages of the companies and applications mentioned above may only be enjoyed in the United States for the time being, but hopefully we can count on the development of property market services and the expansion of the mobile technology industry in Hungary too in the future.



Should Budapest host the Olympic Games?

PÉTER FUTÓ

IN THE MIDDLE OF AUGUST, THE WHOLE WORLD WAS ONCE AGAIN IN OLYMPIC FEVER, AS RIO HOSTED THE 31ST SUMMER OLYMPIC GAMES. THE EVENT BEARS SIGNIFICANCE FOR HUNGARY, BEYOND THE ACHIEVEMENT OF ITS ATHLETES, BECAUSE BUDAPEST IS ONE OF THE CITIES WHICH HAS APPLIED TO HOST THE 2024 OLYMPIAD.

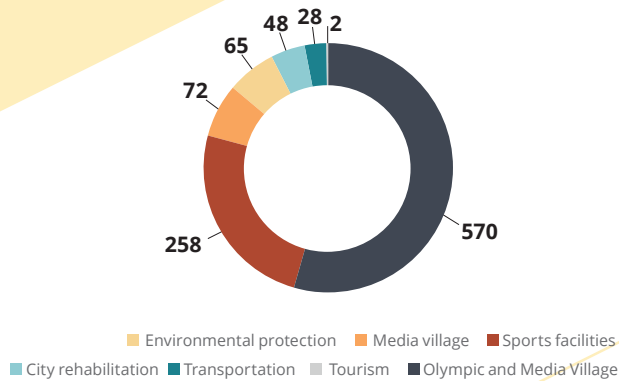
The Olympic Games may only last a fortnight, but the investments needed for hosting them can define the panorama and development trends of a city for decades to come. Therefore, the responsibility of the decisionmakers

is particularly great. Besides expenditures related to organisation, an Olympic budget also includes many infrastructural investments, such as the establishment of new sports facilities or the Olympic village. Some of the build-

ings housing the sporting events are temporary facilities, which are dismantled at the end of the Olympics. For the remaining buildings, however, the question is, how can they be utilised after the sports event? Not to mention the developments and investments indirectly connected with the event, such as the many thousands of apartments coming onto the market with the conversion of the Olympic facilities, or the enormous additional hotel capacities, which likewise may define the housing or tourist market of a city in the long term. According to plans, the Budapest Olympics would be hosted at 16 venues in the capital and a number of others in the countryside. Of



**DISTRIBUTION OF THE BUDGET
OF THE 2024 BUDAPEST OLYMPICS (BILLION HUF, %)**



Source: PWC, Portfolio

these, an Olympic Park to be newly constructed would be the centre for the Olympiad.

BUDAPEST VENUES

The Olympic centre would be erected on the territory stretching from the northern part of Csepel Island to Rákóczi Bridge, as well as to Soroksári Road, and Külső Mester Street, on the northern section. The Olympic village and the media village would be located here, and on the Danube side an athletics stadium able to accommodate 60,000 people would be constructed. This could also host the Olympic opening and closing ceremonies. Of the competitions, weightlifting, tennis and the handball final would be held here, as well as the triathlon, the kayak and canoe slalom contests and the BMX along the Danube.

EXPECTED COSTS

In terms of hosting the Olympics, the most questions generally arise in connection with the cost commitment. Based on the feasibility study, the planned cost of the Budapest Olympics is 1074 bn HUF. Due to income and secondary utilisation of the buildings, however, e.g. conversion of the Olympic village buildings into flats and their subsequent sale, according to the plans 299 bn HUF of revenue would also be obtained. On this basis, the 1043 bn HUF expenditure, calculated without the 10 bn HUF cost of application and the 21 bn HUF cost of the Paralympics, would be distributed as seen in the figure. In reality, however, this calculation does not take into account expenditures for the investments which according to the study would have been made irrespective of the Olympics. When these are included, host-

Other venues in the capital:

Óbuda Island: beach volleyball
Margit Island: pentathlon,
water polo preliminaries
Normafa: cross-country cycling
Congress Centre: weightlifting
South Lágymányos: tennis
Etele Square: volleyball,
handball finals
Ferenc Szusza Stadium: hockey
Dagály: swimming, diving, synchro-
nised swimming, water polo
finals, pentathlon swimming
Rudolf Ilovsky Stadium: rugby
City Park: road cycling, triathlon,
archery
László Papp Sports Arena: rhythmic
gymnastics, artistic gymnastics,
triathlon, basketball finals
Ferenc Puskás Stadium: football
Fehér dűlő: shooting
Hungexpo: boxing
Groupama Arena: football

Other cities:

Győr, Veszprém, Balatonfüred,
Szombathely, Székesfehérvár, Göd,
Dunakeszi, Miskolc, Debrecen, Sze-
ged (basketball, handball, football
preliminaries, table tennis, rowing
competitions, golf, sailing, long-
distance swimming)



Budapest Olympic Games in numbers

10 cities involved as venues of the games

175 number of gold olympic medals won by Hungary

8 Hungary's rank on all-time Olympic Games medal table

3100 billion (HUF) expenditures of the Budapest Olympic Games and related investments

63 000 rooms for competitors, for the media and for other guests

45 000 volunteers

553 000 foreign + domestic spectators **1 070 000**

5.9 million issued tickets

ing the Olympics would cost more than 3100 bn HUF, which means 330 thousand forints per capita. This would be distributed over a number of years, of course, but even so it would have to be spent before the appearance of revenues coming from the Olympics.

EFFECTS ON THE PROPERTY MARKET

In connection with the Olympics, many new facilities need to be built both in the capital and in the countryside. Thanks to infrastructural investments, the parts of the city involved could become more popular, as a result of which they could increase in value. It is difficult to predict the extent of this increase, but it is probable that in Budapest the Olympic Centre, i.e. the part of the city



including the northern section of Csepel Island and the southern areas of district 9 along the Danube, could be the biggest winner of the Olympics, transforming the present rust belt into a residential area.

According to estimates in the feasibility study, the athletes, their attendants, representatives of the media, the technical staff and other invited guests need 63 thousand rooms in total, some of which would be located in the Olympic village which is to be constructed. According to the plans, these could be converted into apartments at the end of the Olympics, and then sold. Although there is a shortage of new apartments at present, the length of the boom in the housing market is difficult to estimate.

The property market boom which began around the turn of the millennium lasted 8 years, which was then followed by a recession lasting 6 years. The length of the recovery which has lasted since 2014 cannot be predicted, so there is no guarantee that the process of 2.9-3.1 percent stable economic growth, which the feasibility study is reckoning with, can be maintained over the coming 10 years.

Irrespective of the housing market situation expected in the future, however, it can be said that the appearance of tens of thousands of new apartments on the market could have a powerful effect on the housing market of certain areas of the city, thus it would be better to put these on the market at the end of the Olympics either gradually or in an alternative construct. One alternative construct could be, for instance, to

convert the Olympic village apartments into market-based rental flats.

What is much more worrying, however, is the fact that according to estimates, a total of 553 thousand foreign visitors, and several times as many from this country, are expected for the Olympic Games, and they will need to be accommodated somewhere. At present, commercial accommodation in Hungary has a capacity for 312 thousand people at once, thus the number of such places in Budapest must definitely be expanded due to the Olympics. In connection with this, however, the question arises: how can this newly created accommodation capacity be utilised after the Olympics?

THE ECONOMY OF HUNGARY

Since 1896, a total of 19 countries have hosted the Olympics, some of them more than once. It is typical of the countries organising the games that the size of their economy is 26 times larger on average than that of Hungary. Taking the 2016 GDP as a basis, the country with the smallest economy which has ever held the Olympics is Greece. When the 2004 Olympics were held, however, the total GDP of Greece was around twice as much as Hungary's is at present. So however much enthusiasm there is, what is needed for an Olympiad is first of all lots of money, which a country the size of Hungary can only raise by making an extraordinary effort. But if we do win the right to host after all, that would mean that Hungary would be the country with the smallest economy which has ever held the Olympic Games.



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AFI Europe N.V.	Amsterdam, The Netherlands	✓	✓	✓	✓	–	AFI City (CZ), Butterfly (CZ), Tulipa Trebesin (CZ)	✓	✓	✓	–	–	Germany, Bulgaria, Romania, Serbia, Latvia	P: +31 204 218 928 afi-europe.eu info@afi-europe.eu
Aliz u. 6. Kft.	Budapest, Hungary	–	–	–	✓	–	Budai Bolero Lakópark - Q4 2017/Q1 2018	✓	–	–	–	–		P: +36 1 203 7876 www.budaibolero.hu info@budaibolero.hu
Atenor	La Hulpe, Belgium	✓	–	–	✓	–	Váci Greens D (HU)	✓	–	–	–	–	Romania, Belgium, Luxembourg	P: +32 2 387 22 99 atenor.be
Austrian Real Estate Development	Vienna, Austria	✓	–	–	✓	–	Trillple (AU) - 2018	–	–	–	–	✓		P: +431 7120 742-0 www.are-development.at office@are-development.at
Autóker Holding Zrt.	Budapest, Hungary	–	✓	✓	✓	–	Marina Bay Phase VI. (H) - 2017 Balatonlelle (H) - 2017 Marina Bay Phase VII.-VIII. - 2018	✓	–	–	–	–		P: +36 1 801 2200 www.autoker.hu info@autoker.hu
Bauer Projekt Ingatlanfejlesztő Kft.	Budapest, Hungary	✓	–	–	✓	–	Bauer Residence (HU) - Q4 2017	✓	–	–	–	–		www.bauerprojekt.hu ferenc.szegedi@bauerprojekt.hu harcitamas@pulzmedia.hu
Biggeorge Property Ltd.	Budapest, Hungary	✓	–	✓	✓	✓	Sasad Liget 4. (H) - 2018 Elisabeth Residence (H) - 2018 Broadway Residence (H) - 2017 Dagály Residence (H) - 2018	✓	–	–	–	–		P: +36 1 225 2525 www.biggeorgeproperty.hu info@biggeorge.hu
Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt.	Budapest, Hungary	✓	–	–	✓	–	Harsánylejtő Kertváros II. (H) - Q3 2017	✓	–	–	–	–		P: +36 1 457 3860 www.bif.hu www.bifirodak.hu bif@bif.hu
Buma Contractor Sp. z o.o.	Krakow, Poland	✓	–	–	✓	–	N.A.	–	✓	–	–	–		"P: +48 12 297 22 22, +48 12 297 22 23 www.bumacontractor.pl bumacontractor@buma.com.pl
CA Immo	Vienna, Austria	✓	–	–	–	✓	City quarter Lände 3 (AT), Orhideea Towers (RO), ViE (AT)	✓	✓	✓	✓	✓	Germany, Romania, Serbia, Bulgaria	P: +431 532 5907 www.caimmo.com office@caimmo.com
Capital Park SA	Warsaw, Poland	✓	✓	–	✓	–	Art N (PL)	–	✓	–	–	–		P: +48 22 318 8888 www.capitalpark.pl biuro@capitalpark.pl
CODIC Hungary Kft.	Brussels, Belgium	✓	✓	–	✓	–	Dózsa Office Complex (H) - 2019-2021, Margit Corner (H) - 2019, V48 (H) - 2019	✓	–	–	–	–	Romania	P: +32 26 600 070 www.codic.eu
ConvergenCE	Budapest, Hungary	✓	✓	✓	–	–	N.A.	✓	✓	–	✓	–		P: +36 1 225 0912 F: +36 1 375 0445 www.convergen-ce.com csaba.zeley@convergen-ce.com

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CPI Property Group 	Prague, Czech Republic	✓	✓	✓	✓	✓	Balance Loft (H) - Q4 2017	✓	✓	✓	✓	–	Germany, France, Romania, Luxembourg	P: +420 226 506 110 www.cpihg.com contact@cpihg.com
Crestyl Management A.S.	Prague, Czech Republic	✓	✓	–	✓	–	Central Jablonec (CZ), Residence Chomutovka (CZ), Savarin (CZ)	–	–	✓	–	–		P: +420 226 202 800/801 www.crestyl.com crestyl@crestyl.com
CTP Invest, spol. s r.o.	Humpolec, Czech Republic	✓	–	✓	–	–	N.A.	✓	✓	✓	✓		Romania, Ukraine, Slovenia	P: +420 565 535 565 www.ctp.eu info@ctp.eu
DK-DEVELOPMENT Sp. z o.o.	Krakow, Poland	✓	–	–	✓	–	N.A.	–	✓	–	–	–		P: +12 290 08 70, 662 07 09 06 www.dkdevelopment.pl dk@dkdevelopment.pl
ECE Projektmanagement Budapest Kft.	Budapest, Hungary	–	✓	–	–	–	Aquincum Központ (H) - 2020	✓	✓	✓	✓	✓	Denmark, Italy, Bulgaria, Turkey, Germany, Lithuania, Qatar, Russia, Spain	P: +36 1 434 8208 F: +36 1 434 8218 www.ece.com
ECE Projektmanagement GmbH & Co. KG	Hamburg, Germany	✓	✓	✓	–	✓	N.A.	✓	✓	✓	✓	✓	Denmark, Italy, Bulgaria, Turkey, Germany, Lithuania, Qatar, Russia, Spain	P: +49 40 60 60 60 www.ece.com info@ece.com
Echo Investment S.A.	Kielce, Poland	✓	✓	–	✓	✓	Galeria Libero (PL)	✓	✓	–	–	–	Ukraine	P: +48 41 33 33 333 biuro@echo.com.pl
Erste Group Immorent AG	Vienna, Austria	✓	✓	✓	✓	✓	Enterprise Office Center (CZ), Immobipark Praha (CZ)	✓	–	✓	✓	✓	Bulgaria, Romania, Serbia, Croatia, Slovenia	P: +43 (0)5 0100 27000 F: +43 (0)5 0100 27204 office.at@immorent.com www.erstegroupimmorent.com
Eternity Investments Ltd	Budapest, Hungary	–	✓	–	✓	–	Magnolia Homes (H) - Q4 2017 ECO Residence (H) - 2018	✓	–	–	–	–		P: +36 30 203 5023 www.eltid.hu www.magnoliahad.hu
Futureal	Budapest, Hungary	✓	✓	–	✓	–	Advance Tower (H) - 2018, Budapest ONE (H) - 2018, Technology & Science Park (H) - 2018	✓	✓	–	–	–	Romania	P: +36 1 266 2181 www.futureal.hu info@futureal.hu
Ghelamco Poland	Warsaw, Poland	✓	–	–	✓	–	Sobieski Tower (PL) - 2018, Sienna Towers (PL) - 2019	–	✓	–	–	–	Belgium, Russia, Ukraine	P: +48 22 455 1600 www.ghelamco.com poland@ghelamco.com
GTC Hungary	Budapest, Hungary	✓	–	–	–	–	GTC White House (H) - Q4 2017	✓	✓	✓	–	–	Croatia, Serbia, Romania, Bulgaria	P: +36 1 412 3699 www.gtc.com.pl leasing@gtc.hu
Goodman Hungary Kft.	Budapest, Hungary	–	–	✓	–	–	Goodman Gyál Logistics Centre (H) - 2016	✓	✓	✓	✓	–		P: +36 1 336 2270 www.goodman.com info-hu@goodman.com

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Graphisoft Park Ingatlanfejlesztő Kft.	Budapest, Hungary	✓	–	–	–	–	Graphisoft Park (H) - 2020	✓	–	–	–	–		www.graphisoftpark.com jkocsany@graphisoftpark.com
Grup Volumetric	Warsaw, Poland Bucharest, Romania Budapest, Hungary	–	✓	–	✓	–	Conrada 5 (PL) Przy Bazantarny (PL) Globusowa (PL)	✓	✓	–	–	–	Romania	P: +34 937 554 444 www.volumetric.eu jsd@volumetric.eu
HB Reavis Real Estate	Luxembourg, Luxembourg	✓	✓	✓	–	–	Twin City (SK) 2015-2017, West Station I-II. (PL) - 2016-2018, Aupark Shopping Center Hradec Kralove (CZ), Aupark Shopping Center Brno (CZ), NIVY Mall & Bus Station (SK)	✓	✓	✓	✓	–	UK	www.hbreavis.com hbreavis@hbreavis.com
Hochtief Development	Warsaw, Poland	✓	–	–	–	–	South Park (PL) - 2016, Copernicus Square/ EC Powisle (PL) - 2018	–	✓	–	–	–		P: +48 22 335 77 77 www.hochtief-development.pl
Horizon Development	Budapest, Hungary	✓	✓	–	✓	–	Váci 1 (H) - 2016 Promenade Gardens (H) - 2018 Szerbity Square (H) - 2019	✓	–	–	–	–		P: +36 1 473 1209 www.horizondevelopment.hu info@horizondevelopment.hu
Immobel Poland Sp. z o.o.	Warsaw, Poland	✓	✓	–	✓	–	CEDET (PL) - 2017	–	✓	–	–	–		P: +22 351 0 190 www.immobelpoland.com office@immobelpoland.com
Immochan	France	–	✓	–	–	–	Centrum Górszaka Kolorowe Życie (PL) - 2018	✓	✓	–	–	–	Romania, Ukraine	www.immochan.com
Immofinanz	Vienna, Austria	✓	✓	–	–	–	Metrooffice (RO)	✓	✓	✓	✓	✓	Romania, Bulgaria, Serbia, Slovenia, Croatia, Russia	www.immofinanz.com
InfoGroup 	Budapest, Hungary	✓	✓	✓	✓	–	Bartók Udvar Office Building (H) Polgár Industrial Park (H) Karcag Industrial Park (H) Club Velence (H)	✓	–	–	–	–		P: +36 1 481 4530 www.infogroup.hu info@infogroup.hu
J&T Real Estate	Bratislava, Slovakia Prague, Czech Republic	✓	✓	✓	✓	✓	Zuckerman (SK) - 2017, Panorama Business (SK) - 2017, Byty Fuxova (SK) - 2017, Eperia Shopping Centre (SK) - 2017	–	–	✓	✓	–	Russia	P: +421 2 5941 8200 www.jtre.sk info@jtre.sk
KÉSZ Csoport	Budapest, Hungary	✓	–	✓	–	✓	N.A.	✓	✓	–	✓	✓	Russia, Belarus, Serbia, Ukraine	P: +36 1 476 6900 www.kesz.hu kesz@kesz.hu
Liebrecht&wood	Warsaw, Poland	✓	✓	✓	–	–	Hampton Park (PL)	–	✓	–	–	–	Romania, Russia	P: +48 22 571 44 44 www.liebrecht-wood.com
Mayland Real Estate	Warsaw, Poland	–	✓	–	–	–	Serenada (PL) - 2016	–	✓	–	–	–		P: +48 22 546 98 00 www.mayland.pl

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Metrodom Kft.	Budapest, Hungary	-	✓	-	✓	-	City Home (H) - 2018 Babér Str. 13-15. (H) - 2018 Lóportár Str. 9. (H) - 2018 Madarász V. Str. 45. (H) - 2018	✓	-	-	-	-		P: +36 1 919 3333 www.metrodom.hu info@metrodom.hu
Multi	Gouda, The Netherlands	-	✓	-	-	-	Forum Gdansk (PL) - 2017	-	✓	✓	✓	-	Belgium, Germany, Italy, Portugal, Spain, Ukraine, Turkey	P: +31 (0) 182 690 900 www.multi.eu info-nl@multi.eu
OTP Real Estate Ltd.	Budapest, Hungary	-	-	-	✓	-	Olimpia Sétány (H) - 2017, Somfa Liget Phase V, (H) - 2017, Tetrís Ház (H) - 2018, Csalogány 43 (H) - 2018, Toldy 19 (H) - 2018, Balatonlelle (H) - 2018	✓	-	-	-	-		P: +36 1 373 3870 www.otpingatlan.hu ertekezes@otpingatlan.hu
P3 (PointPark Properties s.r.o.)	Prague, Czech Republic	-	-	✓	-	-	N.A.	-	✓	✓	✓	-	Romania, Bulgaria	P: +420 225 987 400 www.p3parks.com info@p3parks.com
Panattoni Europe	Warsaw, Poland	-	-	✓	-	-	N.A.	-	✓	✓	✓	-	Romania	P: +48 22 540 71 71 www.panattonieurope.com
Penta Investments	Bratislava, Slovakia	✓	✓	-	✓	-	Pri Myte (SK), Rosum (SK) - 2016, Nova Terasa (SK), Mokotow (PL) - 2017, Waltrovka (CZ), DSP (PL) - 2019	-	✓	✓	✓	-		www.pentainvestments.com
Plaza Centers Group	Amsterdam, The Netherlands	✓	✓	-	-	-	Kielce Plaza (PL), Leszno Plaza (PL), Lodz (PL)	✓	✓	✓	-	-	Latvia	P: +31 20 344 9560 www.plazacenters.com info@plazacenters.nl
Portus Buda Group Zrt.	Budapest, Hungary	✓	✓	-	✓	-	CDO - Calasanz Downtown Offices (H), Inspired Garden Project (H)	✓	-	-	-	-		P: +36 1 488 7476 www.portusbudagroup.com office@portusbudagroup.com
PPF Real Estate	Prague, Czech Republic	✓	✓	-	✓	-	N.A.	-	-	✓	-	-	Germany, The Netherlands	P: +420 224 174 555 www.ppfreal.com info@ppfreal.com
Proform Zrt.	Budapest, Hungary	✓	✓	-	-	✓	N.A.	✓	-	-	-	-		P: +36 1 250 4288 www.proform.hu
Prologis	Budapest, Hungary	-	-	✓	-	-	Prologis Park Budapest-Sziget (H) - 2016 Prologis Park Prague-Rudná (CZ) - 2016 Prologis Park Piotrków II (PL) - 2016	✓	✓	✓	✓	✓	Romania	P: +36 1 577 7700 www.prologis.com info-hu@prologis.com
RE project development Kft.	Budapest, Hungary	✓	-	-	-	-	N.A.	✓	-	-	-	-		P: +36 1 346 6405 www.residenceirodahaz.hu julianna.marta@raiffeisenrevolution.com
Savills Poland	Warsaw, Poland	✓	✓	-	-	-	Prime Corporate Center (PL) - 2016, West Point 120 (PL) - 2016	-	✓	-	-	-		P: +48 022 222 4000 www.savills.pl info@savills.pl

Real estate developers in CEE

Company name	Company headquarters/ regional headquarters	Type of real estate development					Current main projects in the region - name, planned year of delivery	Where are you present in the region?						Company headquarters contact - phone number, website, e-mail
		office	retail	industrial, logistics	residential	hotel		Hungary	Poland	Czech Republic	Slovakia	Austria	Other	
Sekyra Group	Prague, Czech Republic	✓	–	–	✓	–	Rohan City (CZ), Hrebenky (CZ), Smichov City (CZ), Zizkov City (CZ), Nové Tuhnice (CZ), Zamecky Dvur (CZ), Opatov Park II. (CZ), Dejvice Center (CZ)	–	–	✓	–	–		P: +420 234 005 551 www.sekyragroup.cz info@sekyragroup.cz
Shikun & Binui R.E.D. Hungary	Budapest, Hungary Prague, Czech Republic	✓	✓	✓	✓	–	Gardenville Kispeszt (H) - 2018 Törökbálint Tükörhegy (H) - 2018 West Home City (H) - 2018 Club Aliga (H) - 2020	✓	✓	✓	–	–	Germany	P: +36 1 265 5079 www.shikunbinui.hu info@shikunbinui-red.com
S IMMO AG	Vienna, Austria	✓	✓	–	✓	✓	N.A.	✓	–	✓	✓	✓	Bulgaria, Romania, Croatia	P: 43 (0) 50 100-27521 www.simmoag.at office@simmoag.at
Skanska CDE	Warsaw, Poland	✓	–	–	–	–	Mill Park, Nordic Light, Green2Day, High Sive, Nowa Fabryczna, Generation Park	✓	✓	✓	–	–	Romania	P: +48 (12) 26 14 988 www.skanska.com/property malgorzata.kubica@skanska.pl
TriGranit	Budapest, Hungary	✓	✓	–	–	–	Bonarka for Business - Building F (PL) - 2016 Bonarka for Business - Building G (PL) - 2017	✓	✓	–	✓	–		P: +36 1 456 6200 www.trigranit.com info@trigranit.com
Vastint Poland Sp. z o.o.	Warsaw, Poland	✓	–	–	✓	–	Business Garden Warsaw (PL), Business Garden Wrocław (PL), Portowo (PL), Timpuri Noi Square (RO), Business Garden Bucharest (RO)	–	✓	–	–	–		P: +48 22 820 9151 www.vastint.eu info.poland@vastint.eu
Warimpex Finanz- und Beteiligungs AG	Vienna, Austria	✓	–	–	✓	✓	3-star hotel, Budapest (H) - 2018, residential building, Budapest (H) - 2018, Chopin Office Building, Cracow (PL) - 2018, Mogilska Office Building, Cracow (PL) - 2018, Ogrodowa Office Building, Lodz (PL) - 2017	✓	✓	✓	–	✓		P: +43 1 310 55 00 www.warimpex.com daniel.folian@warimpex.com
Warynski Group	Warsaw, Poland	✓	–	–	✓	–	Equilibrium (PL) - 2017	–	✓	–	–	–		P: +48 22 632 7791 www.warynski.pl biuro@warynski.pl
Whitefield Management Kft.	Budapest, Hungary	–	–	–	✓	–	Hanga Ház (H) - 2017 Citizen Park (H) - 2018	✓	–	–	–	✓		P: +36 1 421 0278 www.whitefield.hu info@whitefield.hu
White Star Real Estate Kft.	Warsaw, Poland	✓	✓	✓	–	–	N.A.	✓	✓	✓	–	–	Romania, Russia	P: +48 22 324 5000 www.whitestar-realestate.com info@whitestar-realestate.com
WING	Budapest, Hungary	✓	✓	✓	–	✓	V17 Office building (H) - 2016, Telekom Headquarters (H) - 2018, Magyar Nobel-díjasok Kutatás és Fejlesztés Park I (H) - 2017	✓	–	–	–	–		P: +36 1 451 4760 info@wing.hu www.wing.hu

Real estate developments in Hungary

Name of real estate development	Name of real estate developer	Country	Location of real estate development	Total gross size of the building (sqm)	Planned time of delivery	Real estate developer/Leasing agent(s)	
Advance Tower	Futureal	H	Váci Corridor, Budapest, Hungary	11,360	2018	P: +36 1 266 2181	www.futureal.hu info@futureal.hu
Aquincum Központ	ECE Projektmanagement Budapest Kft.	H	District III, Budapest, Hungary	140,000	2020	P: +36 1 434 8208	www.ece.com
Balance Loft	CPI Hungary Kft.	H	99 Váci Road, Budapest, 1139, Hungary	6,200	Q4 2017	P: +36 1 225 6600	www.cpi-group.hu www.balance-loft.hu
Balatonlelle	OTP Real Estate Ltd.	H	Balatonlelle, Hungary	9,500	Q3 2018	P: +36 373 3870	www.otpingatlan.hu ertekesites@otpingatlan.hu
Bartók Court Office Building Phase II	InfoGroup	H	105-113 Bartók Béla Road, Budapest, 1115, Hungary	24,000	Q2 2018	P: +36 1 481 4530	www.infogroup.hu info@infogroup.hu
Bauer Residence	Bauer Projekt Ingatlanfejlesztő Kft.	H	Budapest, Hungary	3,440	Q4 2017	P: +36 20 403 6388	www.bauerprojekt.hu
Broadway Residence	Biggeorge Property Ltd.	H	9-11 Csányi Street, Budapest, 1077, Hungary	N.A	2017	P: +36 1 225 25 20	www.citycollection.hu info@citycollection.hu
Budai Bolero Lakópark	Alíz u. 6. Kft.	H	6/b Alíz Street, Budapest, 1117, Hungary	N.A	Q4 2017/ Q1 2018	P: +36 1 203 7876	www.budabolero.hu
Budapest 3-star hotel	Warimpex Finanz- und Beteiligungs AG	H	97-99 Üllői Road, Budapest, 1091, Hungary	9,000	2018	P: +43 1 310 55 00	www.warimpex.com daniel.folian@warimpex.com
Budapest ONE	Futureal	H	Örmező, Budapest, Hungary	65,000	2018	P: +36 1 266 2181	www.futureal.hu info@futureal.hu
Centuria Ház	Centuria Ház	H	Százados Street, Budapest, District VIII, Hungary	N.A	Q4 2017	P: +36 70 778 1779	www.ballainagatlan.hu www.centuriahaz.hu
Citizen Park	Whitefield Management Kft.	H	District XIII, Budapest, Hungary	N.A	Q2 2018	P: +36 1 421 0278	www.whitefield.hu, www.citizenpark.hu, info@whitefield.hu, info@citizenpark.hu
Corvin Atrium by Cordia	Cordia	H	3 Corvin Promenade, Budapest 1082, Hungary	6,800	Q2 2018	P: +36 1 411 3000	www.cordia.hu cordia@cordia.hu
Corvin Technology & Science Park	Futureal	H	Corvin Promenade, Budapest, Hungary	25,000	2018	P: +36 1 266 2181	www.futureal.hu info@futureal.hu
Csalogány 43	OTP Real Estate Ltd.	H	District II, Budapest, Hungary	7,000	Q3 2018	P: +36 373 3870	www.otpingatlan.hu ertekesites@otpingatlan.hu
Csengery Garden	Reax Invest Zrt.	H	22 Csengery Street, Budapest, 1074, Hungary	N.A	2018	P: +36 1 270 1111	www.reax.hu
Dagály Residence	Biggeorge Property Ltd.	H	5-7 Dagály Street, Budapest, 1138, Hungary	N.A	2018	P: +36 1 225 25 20	www.dagalyresidence.hu info@dagalyresidence.hu
Divinus Lakópark	Aranypart Ingatlanalap	H	Röppentyű Street, Budapest, District XIII, Hungary	N.A	Q4 2017	P: +36 70 708 8279	www.ballainagatlan.hu
Dózsa Office Complex	CODIC Hungary Kft.	H	144-148 Dózsa György Street, Budapest, 1134, Hungary	2 x 20,000	2019-2021	P: +36 1 266 6000	www.codic.eu info.hungary@codic.eu
Duna Korzó Lakópark	XIX Pont Kft.	H	Szentendre, Hungary	N.A	2017	P: +36 70 729 0131	titkarsag@tailorxix.hu

Real estate developments in Hungary

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Elisabeth Residence	Biggeorge Property Ltd.	H	34-36 Dob Street, Budapest, 1072, Hungary	N.A	2018	P: +36 1 225 25 20	www.citycollection.hu info@citycollection.hu
Elite Park	Jákob Ingatlan Kft.	H	Barázda Street, Budapest, District XI, Hungary	N.A	Q4 2017	P: +36 70 778 1779	www.elitepark.hu www.ballaingatlan.hu
Goodman Gyál Logistics Centre	Goodman Group	H	Gyál, Hungary	22,200	Q4 2016	P: +336 2270	www.goodman.com
Grandio by Cordia	Cordia	H	14 Nagy Diófa Street Budapest 1072, Hungary	5,500	Q3 2018	P: +36 1 411 3000	www.cordia.hu cordia@cordia.hu
Graphisoft Park	Graphisoft Park Ingatlanfejlesztő Kft.	H	7 Záhony Street, Budapest, 1031, Hungary	116,000	1998-2020 continuously	P: +36 20 661 2401	www.graphisoftpark.com jkocsany@graphisoftpark.com
GTC White House	GTC Hungary	H	47 Váci Road, Budapest, 1134 Hungary	21,500	Q4 2017	P: +36 1 412 3699	leasing@gtc.hu
K 40	Triholding	H	40 Király Street, Budapest, 1061, Hungary	10,000	Q1 2018	P: +36 1 688 0382	www.k40.hu info@triholding.hu
Kapás21 by Cordia	Cordia	H	21 Kapás Street Budapest 1027, Hungary	2,276	Q2 2018	P: +36 1 411 3000	www.cordia.hu cordia@cordia.hu
Klauzál Residence	Triholding	H	7-9 Klauzál Street, Budapest, 1075, Hungary	10,000	Q3 2018	P: +36 1 688 0382	www.klauzalresidence.hu info@triholding.hu
Ludovica Gardens	Warimpex Finanz- und Beteiligungs AG	H	97-99 Üllői Road, Budapest, 1091, Hungary	8,200	2018	P: +43 1 310 55 00	www.warimpex.com daniel.folian@warimpex.com
Magnolia Homes	Eternity Investments	H	2 Kartács Street, Budapest, 1139, Hungary	3,580	Q4 2017	P: +36 30 203 5023	www.magnoliahaz.hu a.pallai@eltd.hu
Magyar Nobel-díjasok Kutatás és Fejlesztés Park I	WING	H	11 Magyar Tudósok körútja, Budapest, 1117, Hungary	16,000	2017	P: +36 1 451 4760	www.wing.hu info@wing.hu
Margit Corner	CODIC Hungary Kft.	H	19-21 Margit krt., Budapest, 1024, Hungary	5,000	2019	P: +36 1 266 6000	www.codic.eu info.hungary@codic.eu
Marina Bay Phase VI.	Autóker Holding Zrt.	H	1-3 Kelén Street, Budapest, 1138, Hungary	8,000	2017	P: +36 1 801 222 +36 30 943 1322 +36 30 635 4877	www.marinabay.hu info@autoker.hu
Metrodom Babér Str.	Metrodom Babér 13. Kft.	H	13-15 Babér Street, District XIII, Budapest, Hungary	N.A	Q1 2018	P: +36 1 919 3333	www.metrodom.hu info@metrodom.hu
Metrodom City Home	Metrodom	H	Nádasdy Street/Máriássy Street, District IX, Budapest, Hungary	N.A	Q1 2018	P: +36 1 919 3333	www.metrodom.hu info@metrodom.hu
Metrodom Lőportár Str.	Metrodom Lőportár 9. Kft.	H	9 Lőportár Street, District XIII, Budapest, Hungary	N.A	Q1 2018	P: +36 1 919 3333	www.metrodom.hu info@metrodom.hu
Metrodom Madarász V. Str.	Metrodom Madarász 45 Kft.	H	45 Madarász Viktor Str., District XIII, Budapest, Hungary	N.A	2018	P: +36 1 919 3333	www.metrodom.hu info@metrodom.hu
Mill Park	Skanska Property Hungary	H	44 Soroksári Road Budapest, 1095, Hungary	36,000	Q3 2018	P: +36 1 382 9100	leasing@skanska.hu
Nordic Light	Skanska Property Hungary	H	96-98 Váci Road, Budapest, 1133, Hungary	26,200	Q3 2016	P: +36 1 382 9100	leasing@skanska.hu

Real estate developments in Hungary

Name of real estate development	Name of real estate developer	Country	Location of real estate development	Total gross size of the building (sqm)	Planned time of delivery	Real estate developer/Leasing agent(s),	
Olimpia Sétány	OTP Real Estate Ltd.	H	Bercsényi liget, Győr (Sziget), Hungary	11,900	Q3 2017	P: +36 373 3870	www.otpingatlan.hu ertesites@otpingatlan.hu
Petne Ház	Petne Ház	H	Petneházy Street, Budapest, District XIII, Hungary	N.A	Q4 2017	P: +36 70 778 1779	www.ballaingatlan.hu
Prologis Park Budapest-Sziget DC7	Prologis	H	30 Leshegy Street, Szigetszentmiklós, 2310, Hungary	21,000	2016	P: +36 70 933 9207	www.prologis.com Zsuzsanna Hunyadi zhunyadi@prologis.com
Promenade Gardens	Horizon Development	H	80-84 Váci Road, Budapest, 1133, Hungary	25,000	2018	P: +36 1 473 1209	www.horizondevelopment.hu info@horizondevelopment.hu
Rózsa 55 by Cordia	Cordia	H	55 Rózsa Street, Budapest 1064, Hungary	2,899	Q3 2018	P: +36 1 411 3000	www.cordia.hu cordia@cordia.hu
Sasad Liget Phase 4.	Biggeorge Property Ltd.	H	6/b Beregszász Street, Budapest, 1118, Hungary	N.A	2018	P: +36 1 611 72 22	www.sasadliget.hu info@sasadliget.hu
Somfa Liget Phase 5.	OTP Real Estate Ltd.	H	District X, Budapest, Hungary	2,700	Q3 2017	P: +36 373 3870	www.otpingatlan.hu ertesites@otpingatlan.hu
Szervita Square	Horizon Development	H	8 Szervita Square, Budapest, 1052, Hungary	14,800	2019	P: +36 1 473 1209	www.horizondevelopment.hu info@horizondevelopment.hu
Telekom Headquarters	WING	H	34-36 Könyves Kálmán krt., Budapest, 1097, Hungary	55,000	2018	P: +36 1 451 4760	www.wing.hu info@wing.hu
Terrace Residence 2-3. by Cordia	Cordia	H	3 Medvetalp Street Budapest 1112, Hungary	9,400	Q1 2017	P: +36 1 411 3000	www.cordia.hu cordia@cordia.hu
Tetris Ház	OTP Real Estate Ltd.	H	District XI, Budapest, Hungary	15,600	Q4 2018	P: +36 373 3870	www.otpingatlan.hu ertesites@otpingatlan.hu
Thermal Zugló 2. by Cordia	Cordia	H	113 Egressy Street Budapest 1149, Hungary	9,542	2017	P: +36 1 411 3000	www.cordia.hu cordia@cordia.hu
Toldy 19	OTP Real Estate Ltd.	H	District I, Budapest, Hungary	1,600	Q2 2018	P: +36 373 3870	www.otpingatlan.hu ertesites@otpingatlan.hu
V17	WING	H	17 Váci Road, Budapest, 1134, Hungary	12,600	2016	P: +36 1 451 4760	www.wing.hu info@wing.hu
V48	CODIC Hungary Kft.	H	48/e-f. Váci Road, Budapest, 1132, Hungary	13,500	2019	P: +36 1 266 6000	www.codic.eu info.hungary@codic.eu
Váci 1	Horizon Development	H	5 Deák F. Street Budapest, 1052, Hungary	13,750	2016	P: +36 1 473 1209	www.horizondevelopment.hu info@horizondevelopment.hu
Viza Apartmanház Phase III.	Reax Invest Zrt.	H	23. Révész Street, Budapest, 1138, Hungary	N.A	2017	P: +36 1 270 1111	www.reax.hu
Wesselton Rooftop Projekt	Wesselton Kft.	H	26-28. Zászlós Street, Budapest, 1143, Hungary	2,200	Q4 2017	P: +36 30 542 8371	www.wesselton.hu info@wesselton.hu
Young City 1 by Cordia	Cordia	H	67. Kassák Lajos Street, Budapest 1134, Hungary	8,000	Q2 2018	P: +36 1 411 3000	www.cordia.hu cordia@cordia.hu

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Name of real estate development	Name of real estate developer	Country	Location of real estate development	Total gross size of the building (sqm)	Planned time of delivery	Real estate developer/Leasing agent(s),	
AFI City	AFI Europe	CZ	Prague, Czech Republic	150,635	planned	P: +420 255 743 111	afi-europe.eu
Art N	Capital Park	PL	Warsaw, Poland	64,000	under develop- ment	P: + 48 22 318 88888	www.capitalpark.pl biuro@capitalpark.pl
Astoria	Strabag Real Este GmbH	PL	Warsaw, Poland	19,000	Q4 2016	P: +43 1 22 4 22 - 1537	www.astoria-warszawa.pl info@astoria-warszawa.pl
Aupark Shopping Center Brno	HB Reavis Group	CZ	Brno, Czech Republic	31,500	2017	P: +420 225 001 900	www.hbreavis.com hbreavis@hbreavis.com
Aupark Shopping Center Hradec Kralove	HB Reavis Group	CZ	Hradec Kralove, Czech Republic	22,500	Q4 2016	P: +420 225 001 900	www.hbreavis.com hbreavis@hbreavis.com
Axis	Skanska Property Poland	PL	Przy Rondzie 4, Kraków, Poland	20,000	Q4 2016	P: +48 79 722 9854	Monika Tkacz monika.tkacz@skanska.pl
Baltyk	Garvest Real Estate	PL	Poznan, Poland	15,000	Q2 2017	P: +48 61 8614492	www.garvest.com info@garvestrealstate.com
Bonarka for Business	TriGranit	PL	Puszkarska 71, 30-644 Kraków, Poland	2x10,000	Building "F" Q3 2016, Building "G" Q2 2017	P: +48 12 257 89 86	Anna Krztoń akrzton@trigranit.pl
Business Garden Bucharest	Vastint Romania	RO	Bucharest, Romania	41,000	under construction	P: +40 21 321 40 07	www.vastint.eu sorin.macoveiu@vastint.eu
Business Garden Warsaw	Vastint Poland	PL	Warsaw, Poland	90,000	Phase II. under construction	P: +48 22 820 9151	www.vastint.eu info.poland@vastint.eu
Business Garden Wrocław	Vastint Poland	PL	Warsaw, Poland	37,000	Phase I. under construction	P: +48 22 820 9151	www.vastint.eu info.poland@vastint.eu
Butterfly	AFI Europe	CZ	Prague, Czech Republic	23,522	Q4 2017	P: +420 255 743 111	afi-europe.eu
CEDET	Immobel Poland	PL	Warsaw, Poland	21,000	Q3 2017	P: +22 351 0 190	www.immobelpoland.com office@immobelpoland.com
Centaurus	EURO STYL	PL	Olsztyn, Poland	50,000	2017	P: + 58 7701710	www.eurostyl.com.pl biuro@eurostyl.com.pl
Central Jablonec	Crestyl Management A.S.	CZ	Jablonec nad Nisou, Czech Republic	16,500	in preparation	P: +420 226 202 800/801	www.crestyl.com crestyl@crestyl.com
Centrum Górszaka Kolorowe Życie	Immochan	PL	Warsaw, Poland	84,000	2018	P: +48 22 209 86 23	www.immochan.com
Chopin Office	Warimpex Finanz- und Beteiligungs AG	A	Przy Rondzie, Cracow, Poland	26,165	2018	P: +43 1 310 55 00	www.warimpex.com daniel.folian@warimpex.com
City quarter Lände 3	CA Immo	A	Vienna, Austria	135,000	2018	P: +43 1 5325907 537	www.laende3.at
Copernicus Square/EC Powisle	Hochtief Development Poland	PL	Warsaw, Poland	42,199	2018	P: +48 22 335 7777	www.hochtief-development.pl
Dejvice Center	Sekyra Group	CZ	Prague, Czech Republic	N.A	in preparation	P: 420 234 005 551-2	www.sekyragroup.cz info@sekyragroup.cz

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DSP	Penta Investments	PL	Warsaw, Poland	28,000	2019	P: +48 22 502 32 22	www.pentainvestments.com warsaw@pentainvestments.com
Enterprise Office Center	Erste Group Immorent AG	CZ	Prague 4 - Pankrac, Czech Republic	29,069	in development	P: +43 (0)5 0100 27000 F: +43 (0)5 0100 27204	www.erstegroupimmorent.com www.enterprise-prague.cz
EQlibrium	Warynski Group	PL	Warsaw, Poland	21,000	Q1 2017	P: +48 22 632 7791	www.warynski.pl biuro@warynski.pl
ETHOS	Savills Poland	PL	Warsaw, Poland	3,000	Q4 2016	P: +48 022 222 4023	www.savills.pl info@savills.pl
Five	Skanska Property Czech Republic	CZ	Prague 5 Smíchov, corner of Svornosti – Na Valentince streets, Czech Republic	14,362	Q2 2017	N.A	Skanska Property Czech Republic
Forum Gdansk	Multi	SK	Gdansk, Poland	62,000	2017	P: +31 (0) 182 690 900 P: +420 737 252 783	www.multi.eu info-nl@multi.eu office-pl@multi.eu
Galeria Libero	Echo Investment S.A.	PL	Katowice, Poland	45,000	in preparation	P: +48 664 900 211	www.echo.compl office@echo.com.pl
Generation Park (3 Buildings: X, Y, Z)	Skanska Property Poland	PL	Prosta/Wronia/Lucka/Towarowa, Warszawa, Poland	84,000	Q4 2017	P: +48 50 273 7244	Agnieszka Krawczyk-Rogowska agnieszka.krawczyk@skanska.pl
Goodman Lodz Logistics Centre	Goodman	PL	ul. Lutomska, Pabnice, Poland	26,902	N.A	N.A	www.goodman.com/pl poland@goodman.com
Goodman Poznan Airport Logistics Centre	Goodman	PL	ul. Batorowska, Wysogotowo, Poland	52,310	N.A	N.A	www.goodman.com/pl poland@goodman.com
Goodman Poznan Logistics Centre	Goodman	PL	Niepruszewo, BUK, Poland	50,378	N.A	N.A	www.goodman.com/pl poland@goodman.com
Goodman Sosnowiec Logistics Centre	Goodman	PL	ul. Inwestycyjna, Maczki Bór, Poland	66,975	N.A	N.A	www.goodman.com/pl poland@goodman.com
Goodman Warsaw Logistics Centre	Goodman	PL	Emilianow, Warszawa, Poland	54,697	N.A	N.A	www.goodman.com/pl poland@goodman.com
Goodman Wroclaw East Logistics Centre	Goodman	PL	ul. Kielczowska, Wroclaw, Poland	51,768	N.A	N.A	www.goodman.com/pl poland@goodman.com
Goodman Wroclaw South Logistics Centre	Goodman	PL	ul. Logistyczna 6,55-040 Bielany Wrocławskie, Poland	123,500	N.A	N.A	www.goodman.com/pl poland@goodman.com
Green2Day	Skanska Property Poland	PL	Szczytnicka 11, Wroclaw, Poland	17,000	Q4 2017	P: +48 79 701 9474	Aleksandra Kalina aleksandra.kalina@skanska.pl
Hampton Park	Liebrecht&wood	PL	Warsaw, Poland	50,000	N.A	P: +48 22 571 44 44	www.liebrecht-wood.com
High Five	Skanska Property Poland	PL	Pawia, Kraków, Poland	23,284	Q4 2017	P: +48 797 229 854	Monika Tkacz monika.tkacz@skanska.pl
Immapark Praha	Erste Group Immorent AG	CZ	Prague, Czech Republic	131,000	under construction	P: +43 (0)5 0100 27000 F: +43 (0)5 0100 27204	www.erstegroupimmorent.com www.immapark.com
Kielce Plaza	Plaza Centers Group	PL	Kielce, Poland	33,000	planning stage	P: +48 22 231 9900	www.plazacenters.com headoffice@plazacenters.pl

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Leszno Plaza	Plaza Centers Group	PL	Leszno, Poland	16,000	planning stage	P: +48 22 231 9900	www.plazacenters.com headoffice@plazacenters.pl
Lodz Plaza	Plaza Centers Group	PL	Lodz, Poland	35,000	2017	P: +48 22 231 9900	www.plazacenters.com headoffice@plazacenters.pl
Maraton	Skanska Property Poland	PL	Królowej Jadwigi/Maratońska, Poznań, Poland	24,200	Q4 2016	P: +48 797 302 965	Malgorzata Wojton malgorzata.wojton@skanska.pl
Metrooffice	Immofinanz	RO	Bucharest, Romania	40,000	under construction	P: +40 31 405 1701	metrooffice.ro
Mogilska Office	Warimpex Finanz- und Beteiligungs AG	A	ul. Mogilska 43, PL-31546 Cracow	12,000	2018	P: +43 1 310 55 00	www.warimpex.com daniel.foliant@warimpex.com
Mokotow	Penta Investments	PL	Warsaw, Poland	24,500	2017	P: +48 22 502 32 22	www.pentainvestments.com warsaw@pentainvestments.com
NIVY Mall & Bus Station	HB Reavis Slovakia	SK	Bratislava, Slovakia	67,000	2019	P: +421 2 58 30 30 30	www.hbreavis.com hbreavis@hbreavis.com
Nowa Fabryczna	Skanska Property Poland	PL	Składowa 39, Łódź, Poland	21,400	Q2 2017	P: +38 722 202 068	Igor Yankilevich Igor.Yankilevich@skanska.pl
Nova Terasa	Penta Investments	SK	Kosice, Slovakia	N.A	Phase II. under construction	P: +421 2 57788 111	www.pentainvestments.com bratislava@pentainvestments.com
Nove Tuhnice	Sekyra Group	CZ	Karlovy Vary, Czech Republic	N.A	in preparation	P: +420 234 005 551-2	www.sekyragroup.cz info@sekyragroup.cz
Ogrodowa Office	Warimpex Finanz- und Beteiligungs AG	PL	ul. Ogrodowa 8, PL-91-065 Lodz, Poland	41,000	2017	P: +43 1 310 55 00	www.warimpex.com daniel.foliant@warimpex.com
Opatov Park II.	Sekyra Group	CZ	Prague, Czech Republic	N.A	in preparation	P: +420 234 005 551-2	www.sekyragroup.cz info@sekyragroup.cz
Orhidea Towers	CA Immo	RO	Bucharest, Romania	36,900	2017	P: +40 21 300 17 00	www.caimmo.com
Parkview	Skanska Property Czech Republic	CZ	Prague 4 Pankrác, Poland	15,948	2019	N.A	Skanska Property Czech Republic
Pomeranian Logistics Centre	Goodman	PL	ul. Kontenerow 21, Gdansk	515,761	N.A	N.A	www.goodman.com/pl poland@goodman.com
Portowo	Vastint Poland	PL	Poznan, Poland	N.A	planned	P: +48 22 820 9151	www.vastint.eu info.poland@vastint.eu
Pri Myte	Penta Investments	SK	Bratislava, Slovakia	N.A	2017	P: +421 2 57788 111	www.pentainvestments.com bratislava@pentainvestments.com
Residence Chomutovka	Crestyl Management A.S.	CZ	Chomutov, Czech Republic	1,500	under construction	P: +420 226 202 800/801	www.crestyl.com crestyl@crestyl.com
Rohan City	Sekyra Group	CZ	Prague, Czech Republic	N.A	in preparation	P: +420 234 005 551-2	www.sekyragroup.cz info@sekyragroup.cz
Rosum	Penta Investments	SK	Bratislava, Slovakia	22,000	2016	P: +421 2 57788 111	www.pentainvestments.com bratislava@pentainvestments.com

Real estate developments in CEE

Name of real estate development	Name of real estate developer	Country	Location of real estate development	Total gross size of the building (sqm)	Planned time of delivery	Real estate developer/Leasing agent(s)	
Savarin	Crestyl Management A.S.	CZ	Prague, Czech Republic	15,000	in preparation	P: +420 226 202 800/802	www.crestyl.com crestyl@crestyl.com
Serenada Shopping Center	Mayland Real Estate	PL	Krakow, Poland	43,000	2016	P: +48 22 546 98 00	www.mayland.pl www.ch-serenada.pl
Sienna Towers	Ghelamco Poland	PL	Warsaw, Poland	100,000	2019	P: + 48 22 455 16 00	www.ghelamco.com poland@ghelamco.com
Silesia Business Park (4 Buildings)	Skanska Property Poland	PL	Chorzowska 152, Katowice, Poland	48,000	Q4 2016 (Building C)	P: +48 51 950 0884	Tomasz Zydorek Tomasz.Zydorek@skanska.pl
Smichov City	Sekyra Group	CZ	Prague, Czech Republic	210,000	in preparation	P: 420 234 005 551-2	www.sekyragroup.cz info@sekyragroup.cz
Sobieski Tower	Ghelamco Poland	PL	Warsaw, Poland	35,000	2018	P: + 48 22 455 16 00	www.ghelamco.com poland@ghelamco.com
South Park	Hochtief Development Poland	PL	Warsaw, Poland	86,586	2016	P: +48 22 335 77 77	www.hochtief-development.pl
Spark	Skanska Property Poland	PL	Wolska, Warszawa, Poland	70,000	Q1 2018 (1 phase, building C)	P: +38 722 202 068	Igor Yankilevich Igor.Yankilevich@skanska.pl
SQUARE Plus	Raiffeisen evolution project development GmbH	A	Muthgasse, 1190 Vienna, Austria	40,000	2017	P: +43 1 71706 111	www.raiffeisenevolution.com buero@raiffeisenevolution.com
Timpuri Noi Square	Vastint Romania	RO	Bucharest, Romania	33,000	under construction	P: +40 21 321 40 06	www.vastint.eu sorin.macoveiu@vastint.eu
Trillple	Austrian Real Estate Development/Soravia Group	A	Vienna, Austria	110,000	2018	P: +431 7120 742 7725	www.are-development.at office@are-development.at www.trillple.at
Tulipa Třebešín	AFI Europe	CZ	Prague, Czech Republic	95,000	under development	P: +420 255 743 112	afi-europe.eu
Twin City	HB Reavis Slovakia	SK	Bratislava, Slovakia	64,200	2015/2016/2017	P: +421 2 58 30 30 30	www.hbreavis.com hbreavis@hbreavis.com
ViE	CA Immo	A	Vienna, Austria	13,800	2018	P: +43 1 5325907 537	www.caimmo.com
Visionary	Skanska Property Czech Republic	CZ	Prague 7 Holešovice, corner of Argentinská – Plynární Streets, Poland	22,639	Q1 2018	N.A	Skanska Property Czech Republic
Waltrovka	Penta Investments	CZ	Prague, Czech Republic	169,000	N.A	P: +420 225 101 110	www.pentainvestments.com prague@pentainvestments.com
West Point 120	Savills Poland	PL	120 Włodarzewska Street, Warsaw, Poland	20,480	N.A	P: +48 022 222 4023	www.savills.pl info@savills.pl
West Station I-II	HB Reavis Poland	PL	Warsaw, Poland	63,305	2016-2017	P: +48 22 203 44 20	www.hbreavis.com hbreavis@hbreavis.com
Wronia 31	Ghelamco Poland	PL	Warsaw, Poland	16,000	N.A	P: + 48 22 455 16 00	www.ghelamco.com poland@ghelamco.com
Zamecký Dvůr	Sekyra Group	CZ	9 Vinor, Prague, Czech Republic	N.A	in preparation	P: +420 234 005 551-2	www.sekyragroup.cz info@sekyragroup.cz
Zizkov City	Sekyra Group	CZ	Prague, Czech Republic	N.A	in preparation	P: +420 234 005 551-2	www.sekyragroup.cz info@sekyragroup.cz

Law firms 2016

Name and address of law firm	Year founded	Owner	Services offered to real estate operators									Major clients	Manager's name and position	Contact information
			investment and development	construction sector legislation, EPC contracts	property management (leasing, daily consultation)	real estate sales and purchases	planning and zoning	banking and finance	settlement of disputes	environmental protection	taxation			
Allen&Overy 13-14 A, 3 Madách Imre Street Budapest, 1075	1993	N.A.	✓	–	–	✓	–	✓	✓	✓	✓	Regus, Investec Bank, MSCI, Unibail Rodamco, HB Reavis, Ascott, Citadines	Dr. Lengyel Zoltán, Hugh Owen partner	P: +36 1 429 6000 www.allenoverly.com/hu budapest@allenoverly.com
Andrékó Kinstellar Law Firm 3 Széchenyi Wharf Budapest, 1054	2000	Dr. Andrékó Csilla	✓	✓	✓	✓	✓	✓	✓	✓	–	Challenger Group, M7 Real Estate Ltd., Klépierre S.A., GTC, UniCredit Bank	Dr. Frank Mónika managing associate dr. Gömöri Gábor senior associate	P: +36 1 428 4400 www.kinstellar.com marketing@kinstellar.com
BALÁZS & KOVÁTSITS Law Firm Floor 3, 40 Honvéd Street Budapest, 1055	2014	Dr. Balázs Tamás, Dr. Kovátsits László	✓	✓	–	✓	–	–	✓	✓	–	N.A.	Dr. Balázs Tamás chief lawyer	P: +36 1 302 5697, +36 1 302 7938, +36 1 312 1103 www.bakolegal.com office@bakolegal.com balazs@bakolegal.com
Bán-Karika Attorneys at Law Floor 3, Office Garden "B" Building 1. Alíz Street Budapest, 1117	2010	Bán Gergely, Karika Márton	✓	✓	✓	✓	✓	–	✓	✓	✓	real estate developers, office building operators, tenants, real estate agencies, construction companies	Bán Gergely partner Karika Márton partner	P: +36 1 501 5360 www.ban-karika.hu office@ban-karika.hu
Bán, S. Szabó & Partners Law Firm 5-6 József Nádor Square Budapest, 1051	1997	Dr. Bán Chrysta, Dr. S. Szabó Péter, Dr. Rausch János	✓	✓	✓	✓	–	✓	✓	✓	–	Vodafone, Intertanker Zrt, Autóker Group, Gindi Group, Chateau Promotion Ltd	Dr. Bán Chrysta co-managing partner Dr. S. Szabó Péter co-managing partner	P: +36 1 266 3522 www.bansszabo.hu office@bansszabo.hu
Benisch Mészáros Specht & Partner Law Firm 15 Csaba Street Budapest, 1122	2004	Dr. Benisch Gabriella, Mészáros László	✓	✓	✓	✓	✓	✓	✓	–	–	AUTÓKER group (Autóker Holding Zrt. and subsidiaries), DEPO Logisztikai Központ Kft., VOLUMETRIC group (Volumetric Kft., Völgy Liget Kft., Spanyolkert Kft., Spanyol Lakópark Kft.), TrezEx Zrt.	Dr. Benisch Gabriella, attorney at law/ managing lawyer	P: +36 1 336 1075 www.specht-partner.hu office@specht-partner.hu gabriella.benisch@specht-partner.hu
Bérdi Erika Law Office 16 Király Street Budapest, 1061	2008	Bérdi Erika	✓	✓	✓	✓	✓	✓	✓	✓	✓	Hungarian logistic real estate developer, Austrian-Hungarian logistic park for hazardous materials, Hungarian established hotel developer	Bérdi Erika	P: +36 1 633 3360 office@berdi.hu
bpv JÁDI NÉMETH Attorneys at Law 4 Vörösmarty Square Budapest, 1051	2000	Dr. Jádi Németh Andrea	✓	✓	✓	✓	✓	✓	✓	✓	✓	Prezi, Tsuchiya Hungary, EAA Oil, The Rich Group	Dr. Jádi Németh Andrea managing partner	P: +36 1 429 4000 www.bpv-jadi.com budapest@bpv-jadi.com
Burai-Kovács, Perlaki, Stanka, Szikla & Partners Attorneys at Law 11 Pauler Street Budapest, 1013	1989	Dr. Burai-Kovács János, (ifj.) Dr. Burai-Kovács János, Dr. Perlaki Dezső, Dr. Stanka Gergely, Dr. Szikla Gergely, Dr. Arva Beáta, Dr. Dávid Eszter, Dr. Kovács Andrea, Dr. Stanka István	✓	–	✓	✓	–	✓	✓	✓	✓	financial institutions and banks, foreign and Hungarian real estate developers, foreign and Hungarian real estate investors, real estate funds	Dr. Dávid Eszter managing partner	P: +36 1 354 4300 www.bpss.hu, office@bpss.hu
CHSH Dezső & Partners 14-18 Fő Street Budapest, 1011 CHSH Dezső Cserha Hempel Spiegelfeld Hlawatski	2004	N.A.	✓	✓	✓	✓	✓	✓	✓	–	✓	BILFINGER SE, CA IMMO, IMMOFINANZ, TRIUVA, Erste Group Bank AG, HERVIS, Value One Holding AG, Diófa Alapkezelő Zrt., Raiffeisen Bank International AG, UniCredit Bank Hungary Zrt.	Dr. Dezső Attila managing partner	P: +36 1 457 8040 www.chsh.com office@chsh.hu

Law firms 2016

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			investment and development	construction sector legislation, EPC contracts	property management (leasing, daily consultation)	real estate sales and purchases	planning and zoning	banking and finance	settlement of disputes	environmental protection	taxation			
CMS Cameron McKenna LLP Hungarian Office 12 Károlyi Street, Budapest, 1053 	1989	CMS Cameron McKenna LLP	✓	✓	✓	✓	✓	✓	✓	✓	✓	real estate investors, funds and developers, private equity firms, property management companies, consultancy firms, major domestic and international companies, banks and financial institutions; lessees and lessors	Dr. Ormai Gabriella managing partner	P: +36 1 483 4800 cms.law budapest@cms-cmck.com
Cseri & Partners Law Firm Floor 4, Door 3A, 19 Régi Posta Street Budapest, 1052 	1987	Dr. Cseri Zsuzsanna	✓	✓	✓	✓	✓	✓	✓	–	–	real estate developers, foreign investment funds and investors	Dr. Cseri Zsuzsanna managing partner	P: +36 1 489 2020 www.parallellaw.hu cseri@parallellaw.hu
Deloitte Legal Szarvas, Erdős and Partners Law Firm 84/c Dózsa György Street Budapest, 1068	2008	Dr. Erdős Gábor	✓	✓	✓	✓	✓	✓	✓	✓	✓	N.A.	Dr. Erdős Gábor office managing partner	P: + 36 1 428 6800 deloittehungary@deloittece.com www.deloittelegal.hu
Dessewffy & Dávid and Partners Law Office 43 Andrássy Street Budapest, 1061	1992	Dr. Dessewffy Alice, Dr. Dávid Alíz	✓	✓	✓	✓	–	✓	✓	–	✓	N.A.	Dr. Dessewffy Alice managing partner Dr. Dávid Alíz partner	P: +36 1 413 3340 www.dessewffy.com office@dessewffy.com
DLA Piper Horváth and Partners Law Firm 49-51 Csörsz Street Budapest, 1124 	1988	N.A.	✓	✓	✓	✓	✓	✓	✓	–	✓	Blackstone, ENI Hungaria Zrt., Generali Immobilien AG, HB Reavis Group B.V., Savills Investment Managers	Dr. Posztl András country managing partner	P: +36 1 510 1100 www.dlapiper.com/hu/hungary budapest@dlapiper.com
Erős Law Firm/ Squire Patton Boggs (US) LLP 7-8 Széchenyi István Square Budapest, 1051 	1991	Squire Patton Boggs (US) LLP	✓	✓	✓	✓	✓	✓	✓	✓	–	international real estate developers, investment funds, multinational companies active in manufacturing and various services, construction companies, private investors and advisors interested in real estate	Dr. Erős Ákos office manager Dr. Mester Ákos head of real estate division	P: +36 1 428 7111 www.squirepattonboggs.com akos.eros@squirepb.com
Faludi WolfTheiss Law Firm 12-13 Kálvin Square Budapest, 1085	2007	Dr. Faludi Zoltán	✓	✓	✓	✓	–	✓	✓	✓	✓	international and domestic real estate funds, insurance and pension insurance companies, international and Hungarian investor and real estate developer companies, industrial investors, financial institutions, private equity funds	Dr. Faludi Zoltán managing partner	P: +36 1 484 8800 www.wolftheiss.com budapest@wolftheiss.com
Gárdos Füredi Mosonyi Tomori Law Office 81 Váci Street Budapest, 1056	1992	dr. Gárdos István, dr. Füredi Katalin, dr. Mosonyi Richard, dr. Tomori Erika, dr. Nagy András, dr. Kovács Zsolt, dr. Szabó Dániel, dr. Gárdos Péter	–	–	–	✓	–	✓	✓	–	–	Raiffeisen Bank Zrt., AEGON Magyarország Zrt., TESCO – GLOBAL Zrt., UniCredit Bank Zrt., Alitalia – Compagnia Aerea Italiana Magyarországai Fióktelepe	dr. Gárdos István partner	P: +36 1 327 7560 www.gfimt.hu postmaster@gfimt.hu
Holló & Partners Law Firm 14 Jagelló Street Budapest, 1124	1995	Dr. Holló Dóra	✓	–	✓	✓	–	–	✓	–	✓	property merger proceedings related to a Dutch-owned group of companies, brown field investment of a Belgian-owned company, land reclassification of a French-owned company	Dr. Holló Dóra managing partner, attorney at law Dr. Nagy Dóra Adriána partner, attorney at law Fehér György foreign legal advisor (US-law)	P: +36 1 319 1201 www.hplaw.hu dora.hollo@hplaw.hu dora.adriana.nagy@hplaw.hu office@hplaw.hu
Jalsovszky Law Firm 41 Csörsz Street Budapest, 1124	2005	Jalsovszky Pál	✓	–	✓	✓	–	✓	–	–	✓	Diófa Property Fund, Atlas Estates, Scales International, Atrium Properties, Rhenus	Jalsovszky Pál managing partner	P: +36 1 889 2800 www.jalsovszky.com office@jalsovszky.com

Law firms 2016

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			investment and development	construction sector legislation, EPC contracts	property management (leasing, daily consultation)	real estate sales and purchases	planning and zoning	banking and finance	settlement of disputes	environmental protection	taxation			
Kajtár Takács Hegymegi-Barakonyi Baker & McKenzie Law Firm 6 Dorottya Street Budapest, 1051	1987	Dr. Hegymegi-Barakonyi Zoltán, Dr. Takács P. Pál	✓	✓	✓	✓	✓	✓	✓	✓	✓	Hungarian and foreign real estate developers, real estate investors and contractors, real estate funds, market leader multinational companies, financial institutions and banks	Dr. Hegymegi-Barakonyi Zoltán managing partner	P: +36 1 302 3330 www.bakermckenzie.com/ hungary budapestinfo@bakermckenzie.com
Kapolyi Ügyvédi Iroda Floor 3, 5-6 József Nádor Square Budapest, 1051 European Law Firm* *****	1998	Dr. Kapolyi József	✓	✓	✓	✓	✓	✓	✓	✓	✓	N.A.	Dr. Kapolyi József/ office manager attorney	P: +36 1 267 3975 www.kapolyi.com info@kapolyi.com
Kapusi és Társai Ügyvédi Iroda 44 Andrassy Street I/1. Budapest, 1061	2000	dr. Kapusi Miklós Antal, MBA	✓	✓	✓	✓	–	✓	✓	✓	–	real estate developers, investors, consultants, operators, tenants of commercial and private properties	Dr. Kapusi Miklós Antal MBA, managing partner	P: +36 20 946 9394 www.kapusi-co.hu kapusi@kapusi-co.hu
KCG Partners Law Firm 8 Széchenyi Wharf Budapest, 1054	2014	Kamocsay-Berta Eszter, Csengery Levente, Gálik Gabriella, Párkányi Rita	✓	✓	✓	✓	✓	✓	✓	✓	✓	real estate developers, multinational producer, commercial and service companies, industrial investors, municipalities, foreign and Hungarian real estate investors and private individuals	dr. Kamocsay-Berta Eszter managing partner	P: +36 1 30 131 30 www.kcgpartners.com info@kgpartners.com
Knight Bird & Bird Law Firm 14 Szabadság Square Budapest, 1054	2008	Bird & Bird LLP (London, UK)	✓	✓	✓	✓	✓	✓	✓	✓	–	Three of the leading international IT and technology companies, one of the FTSE 100 companies, one of the leading B2B event organisers in CEE	dr. Halász Bálint senior associate dr. Tarján Zoltán senior associate	P: +36 1 799 2000
Lakatos, Köves and Partners 14 Madách Imre Street Budapest, 1075 	1991	Dr. Lakatos Péter, Dr. Köves Péter, Richard Lock, Dr. Ungár Attila, Dr. Meszán Szabolcs, John Fenemore, Dr. Solyom Iván, Dr. Mátyus Ádám, Dr. Ritter Eszter	✓	✓	✓	✓	✓	✓	✓	✓	✓	real estate funds, private equity funds, property management companies, real estate developers, project companies owning real estates, tenants of offices and commercial real estates, hotel operators, financial institutions	Dr. Ungár Attila partner Dr. Lakatos Péter LL.M. managing partner	P: +36 1 429 1300 www.lakatoskoves.hu attila.ungar@lakatoskoves.hu
Lendvai and Partners Law Firm 33/A Pusztaszeri Street Budapest, 1025	1998	Dr. Lendvai Balázs	✓	✓	✓	✓	✓	✓	✓	✓	–	OTP Ingatlan Zrt., Shikun & Binui Cégcsoport	Dr. Lendvai Balázs office manager, attorney	P: +36 1 353 1165 www.lendvaipartners.com office@lendvaipartners.com
Moldován & Co. Attorneys at Law 1 Dorottya Street, Budapest, 1051 M&Co.	1990	dr. Moldován András, dr. Moldován Judit	✓	✓	✓	✓	–	–	✓	✓	–	multinational real estate developers, investors and contractors, hotel, commercial and industrial property management companies, housing project companies for condominiums, industrial and commercial investors	dr. Moldován András senior partner	P: +36 1 328 6010 andras.moldovan@moldovan.hu
Nagy és Trócsányi Ügyvédi Iroda 4/b Ugcsoa Street Budapest, 1126 NAGY & TRÓCSÁNYI	1991	Partners of the firm	–	✓	✓	✓	–	✓	✓	✓	✓	Hungarian National Bank, Pallas Athéné Foundations, Allison Transmission, Skanska, Van Herk Groep (Malompark Debrecen, Szombathely Center)	Dr. Berethalmi Péter managing partner	P: +36 1 487 8700 www.nt.hu budapest_office@nt.hu
Noerr LLP 14-18 Fő Street, Budapest, 1011 Noerr	1990	German and Hungarian individuals	✓	✓	✓	✓	✓	✓	✓	✓	–	Allianz Real Estate, Takata Safety Systems Hungary, Audi Hungaria, EringKlinger Hungary Kft., Portico Investments, DB Schenker	Dr. Nádasdy Zoltán MRICS head of office, attorney	P: +36 1 224 0900 www.noerr.com recepicio@noerr.com
Oppenheim Law Firm 12 Károlyi Street Budapest, 1053	1989	N.A.	✓	✓	✓	✓	✓	✓	✓	✓	–	N.A.	Dr. Ulrike Rein managing partner	P: +36 1 486 2200 www.oppenheimlegal.com mark.pinter@oppenheimlegal.com



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Law firms 2016

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			investment and development	construction sector legislation, EPC contracts	property management (leasing, daily consultation)	real estate sales and purchases	planning and zoning	banking and finance	settlement of disputes	environmental protection	taxation			
PONTES Budapest Law Firm 1 Szilágyi Dezső Square Budapest, 1011	2005	dr. Polgár Csaba, dr. Bebők Gábor	✓	✓	✓	✓	✓	✓	✓	✓	–	real estate funds, private equity funds, property management companies, real estate developers, project companies owning real estates, tenants of offices and commercial real estates, hotel operators, financial institutions	dr. Polgár Csaba	P: +36 1 799 0140 admin@hunlaw.hu
Réczicza Dentons Europe LLP 11 Andrássy Street Budapest, 1061 	2015 Dentons (formerly Salans) have been in Budapest since 2006	Alliance member of: Dentons Europe LLP	✓	✓	✓	✓	✓	✓	✓	✓	–	real estate developers, property management companies, real estate funds, real estate operating and consulting companies, tenants of offices and commercial real estates, financial institutions, private equity funds, multinational companies and governmental entities	Dr. Réczicza István managing partner	P: +36 1 488 5200 www.dentons.com budapest@dentons.com
Réti, Antall and Partners Law Firm PricewaterhouseCoopers Legal 78 Bajcsy-Zsilinszky Street Budapest, 1055	2000	Dr. Réti László, Dr. Antall György, Dr. Horváth Dóra, Dr. Várszegi Zoltán, Dr. Szűcs László, Dr. Szabó Tibor, Dr. Gally Eszter, Dr. Kelemen Dániel	✓	✓	✓	✓	–	✓	✓	–	✓	Rossmann Magyarország Kft., Unicredit Leasing Hungary Zrt., Vermilion Exploration B.V., Vantage Drilling International, Swiss Krono Kft.	Dr. Réti László managing partner	P: +36 1 461 9888 rap.central@hu.pwclegal.com
Salló Law Firm 4/7, 38 Honvéd Street Budapest, 1055	2000	Dr. Salló Krisztina	✓	✓	✓	✓	–	✓	✓	–	✓	N.A.	Dr. Salló Krisztina office leader	P: +36 1 312 1683 budapest@decapoa.com
Sándor Szegedi Szent-Ivány Komáromi Eversheds Attorneys at Law 59 Pasaréti Street Budapest, 1026	1987/ 1999	dr. Sándor Tamás, dr. Szegedi Ildikó, Dr. Szent-Ivány Ágnes, dr. Komáromi Péter, dr. Varga Katalin	✓	✓	✓	✓	✓	✓	✓	✓	✓	real estate development companies, multinational manufacturing and service companies, office and commercial premises rentals, international food retailer companies	dr. Szent-Ivány Ágnes managing partner	P: +36 1 394 3121 www.eversheds.hu szent-ivany@eversheds.hu office@eversheds.hu
Sár & Partners Attorneys at Law 16 Bajcsy-Zsilinszky Street Budapest, 1051	1998	dr. Tólas K. József, dr. Sár Csaba, dr. Lantos Judit, dr. Komorósné Ildikó, dr. Klauer Zsófia, dr. Szakács Eszter, dr. Horváth Katalin	–	–	✓	✓	–	–	✓	–	✓	foreign and Hungarian private persons and companies, real estate sellers and purchasers, companies/private persons renting/leasing real estates, companies offering real estates for rent	dr. Tólas K. József managing partner	P: +36 1 457 0550 www.sarandpartners.hu www.webjog.hu office@sarandpartners.hu
Schönherr Hetényi Attorneys at Law 76 Váci Street Budapest, 1133 	2008	Dr. Hetényi Kinga, Dr. Habóczy Sándor	✓	✓	✓	✓	✓	✓	✓	✓	–	Hypo Immobilien & Leasing GmbH, Immochan Magyarország Kft., Sanctuary Villas & Spa Kft., Stewart Title Limited Sp. z o.o., UNIQA Real Estate AG	dr. Hetényi Kinga managing partner	P: +36 1 870 0700 www.schoenherr.eu/hungary/ office office.hungary@schoenherr.eu
Siegler Ügyvédi Iroda Weil, Gotshal & Manges LLP 7 Szabadság Square Budapest, 1054 	1991	Weil, Gotshal & Manges LLP	✓	✓	–	✓	–	✓	✓	–	–	Adriatic Marinas, Apollo Real Estate, CBS Property Zrt., ConvergenCE, Danubius Hotels, DeBenedetti Group, Europa Capital, GE Real Estate, Gucci, Heitman International, H.I.G Capital, ING Group, Iron Mountain, Lone Star, Kiemelt Kormányzati Beruházások Központja Zrt., Marriott International, Montport Capital, Nike, Oberoi Hotels, Portico Investments, Property Market Ingatlanfejlesztő Kft., Rockspring Property Investment Managers	David Dederick managing partner	P: +36 1 301 8900 www.weil.com david.dederick@weil.com anita.monus@weil.com
Squarra&Partners Law Firm member of Warwick Legal International Network 8 Avar Street Budapest, 1016	1997	Dr. Squarra A. Thomas, Dr. Várhegyi Kornélia, Dr. Reinhardt András	✓	✓	✓	✓	–	✓	–	–	–	real estate development and management companies of international food retailer chains, international real estate portfolio investors and real estate developers, operating companies, industrial and commercial companies (in real estate acquisition and development cases)	Dr. Squarra A. Thomas managing partner	P: +36 1 474 2080 www.squarra.hu info@squarra.hu
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